SCOTTISH EXECUTIVE
Development Department

PLANNING

Research Study on the Effectiveness of NPPG8: Town Centres and Retailing

January 2004

RESEARCH STUDY ON THE EFFECTIVENESS OF NPPG 8: TOWN CENTRES AND RETAILING

Report to the Scottish Executive Development Department

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Scottish Executive Social Research
2004

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1. INTRODUCTION

1.1 In October 1998 a revised form of central government guidance on Town Centres and Retailing (NPPG8) was issued by the Scottish Office Development Department. This national planning policy guideline has now been operative for five years.

1.2 Following the formation of the Scottish Executive the Development Department has taken a continued interest in the application of national planning policy including that for retailing & town centres. In Autumn 2002 the Scottish Executive hosted a retail seminar to assess the need for updated research on the effectiveness of the policy. In December 2002 the Scottish Executive Development Department issued a brief to consultants.

NPPG8 REVIEW – THE BRIEF

1.3 The Executive's Brief for a review of NPPG8 included the following key points:-

1.4 The current NPPG8 sets out a sound and consistent policy framework which provides stability that is necessary for investment in existing centres, but also opportunities for new forms of retail that extends choice. In helping regeneration and improving the competitiveness of various centres, it has a wide significance in terms of promoting opportunities, services and facilities to all sections of the population and therefore plays an important part in delivering the Executive's social justice and sustainable development objectives.

1.5 Rather than a starting presumption that NPPG8 needs to be revised, the brief made it clear that the research aims and objectives were to examine the ongoing performance of Scottish retail planning policy in NPPG8.

1.6 The Brief specified key points for further investigation;

- To assess the operation of the sequential approach and evaluate the effectiveness of NPPG8 in guiding new investment to existing centres.
- The degree of flexibility and realism being employed by developers and planning authorities in applying the sequential approach.
- The appropriateness of guidance on non-retail uses.
- Assessing different definitions used for "edge-of-centre".
- The adequacy of support for town centres – the need to address further measures and actions to improve town centres.
- Access to shopping facilities – are current patterns of shopping inadequate in some rural and urban communities?
- The status of existing out-of-centre developments and whether they should be regarded in the same way as town centres.
- The future role of smaller town centres.
- The role of retail capacity and retail impact assessments.
- The adequacy of data employed in retail planning decisions.
- Overall, the scope for amendment or clarification of particular areas of policy and scope for a shorter and more concise policy statement at national level, if the NPPG8 is revised, to form a new SPP (Scottish Planning Policy) note.

THE 2003 STUDY TEAM AND THEIR RESPONSE TO THE BRIEF

1.7 The research team for this study has been led by CB Richard Ellis (CBRE) (formerly CB Hillier Parker). CBRE decided to tackle the Brief in collaboration with other specialists. The study team also included the Institute of Retail Studies (IRS) at the University of Stirling. This provided a comprehensive background in terms of general retail trends in Scotland, the UK and elsewhere and a thorough understanding of the application of land use policy and its implications upon the dynamics of the retail sector. In addition, a further specialist input was invited from Colin Buchanan and Partners (CBP), based in Edinburgh. CBP is an acknowledged national specialist on transportation consultancy. CBP had led the 2001 study for the Scottish Executive on a policy methodology for "Key Sites" (central locations based on strong transport links). This Key Sites study also involved inputs from planning and property specialists at CBRE.

1.8 From the principal points set out in the Brief, CBRE/IRS/CBP consulted in detail on the relative issues and the kind of research tasks which could thoroughly address the key issues. The result was an overall tasks scoping set out in the study team's January 2003 proposals. This is detailed in the chart in Appendix 1 to this document. However, during the course of the study, there was an opportunity to put a finer definition on some of the issues and also some amendment to the overall methodology. The headings below deal with the original methodology and the completed methodology.

Original Methodology

1.9 The study team's original proposals involved a definition of the key issues from the Brief as follows:-

- General retail trends and changes;
- Defining town centres, use mix, the role of larger new centres;
- Sequential approach – flexibility and realism;
- Defining edge of centre;
- Support for new development;
- Retail deprivation in rural or urban areas;
- Retail impact methodology;
- Data sources.

1.10 In order to address the eight issues detailed from analysing the client brief, the study team originally set out seven key tasks:

- Review of research, bibliography and summary reports on retail change.
- Survey of operators.
- Survey of practitioners.
- Town centre managers review.
- Shopping public – summary review of retail trends.
- Review of planning decisions and policy.
- Assessment of site development issues.

1.11 In the initial proposals, it was considered appropriate to cover this wide range of tasks, in order to target each of the issues in sufficient depth. Appendix 1 summarises the coverage of issues, according to each task.

Final Methodology

1.12 From the consultation feedback and key issues emerging from questionnaires, discussions and other correspondence, the format for final reporting condensed the original eight issues down to six headings:

Issue 1: General retail trends and changes in Scotland

Issue 2: Defining centres, their use mix and status

Issue 3: Sequential approach, flexibility/realism and defining edge of centre

Issue 4: Support for new development

Issue 5: Retail deprivation

Issue 6: Retail assessment methodology and data sources

1.13 These six condensed issues are presented in Appendix 2, which is an amended final format for the methodology employed in the study. Appendix 2 also shows that the research tasks were redefined. These were split between desk research and survey research, summarised below:-

Desk Research

- Review of Research bibliography and professional planning comment.
- Retail profiles (a summary of some available data sources to look at overall changes in Scotland).
- A review of assessment techniques employed by retail planning specialists
- A review of sample policies and decisions in Scotland over the last five years.
- A review of general transport issues.

Survey Research

- General shopping public – some pre-existing sample surveys to show recent household shopping habits in Scotland
- Main questionnaires – public and private sector responses and combined results.
- Town centre managers - discussion group
- General discussion forums
- Interviews
- Site development issues research

1.14 Detail of the final approach is given in Appendix 2. This lists the various tasks and sets these out graphically, to show the general level of focus from each task on each of the six key study areas.

REPORTING TO THE CLIENT GROUP

1.15 The initial commission for the study was issued in January 2003 and this final report compiled in September 2003. Most of the research ran from February to August. Over this seven month period, the study team engaged with a wide variety of consultees and participants through various different channels. An important element of the study was a regular pattern of briefing reviews with the client group. The client group within the Scottish Executive formed a broader study advisory group, drawing a number of specialists from Scotland's local planning authorities, retail sector and town centre managers. Appendix 3 presents a list of the consultees and participants in this study. The study team is most appreciative of the thorough and co-operative input from all these parties.

1.16 The format used for this report traces the six key issues set out above and makes reference to the eleven key study tasks listed earlier. However, the study team has produced a great deal of background material and this has been reported separately to the client and the advisory group.

1.17 This is the Full Report of Findings. It combines all the relevant issues and technical findings from the research tasks.

1.18 A short report of Research Findings is available through the Central Research Unit at the Scottish Executive.

FORMAT OF THIS REPORT

1.19 The following chapters are set out according to the six key issues which have been identified. Within each chapter, we review the appropriate findings from the eleven different tasks carried out in the research. From this, we draw out the implications for the current NPPG8 policy. Through Sections 2 to 7, our concluding remarks on implications for policy use coded headings; for example, the implications drawn out from the review of general changes in retailing are noted as GC1, GC2, etc.

1.20 In Section 8 we summarise the overall implications for policy. In Section 9 we make our recommendations on potential actions to review NPPG8 policy.

1.21 In parallel with the finalisation of this report in October 2003, the Scottish Executive held the second annual Retail Forum. The purpose of the forum was to engage a wide range of interested parties in the findings of the study and indicate some of the key issues emerging for possible further review of national policy. The Scottish Executive Development Department will make decisions in 2004 on the review of NPPG8.

1.22 It should be noted that this report presents a significant body of findings of fact, but also a number of areas where the study team is reporting a spread of opinions, sometimes representing divergent views. From these findings, the Study Team has drawn out its own opinions on the interpretation of policy implications and suggested recommendations. These interpretations and recommendations are the result of the Study Team working as one group and they do not necessarily represent the views of the client group. The client group will be reviewing the findings of this report before making any decisions on the future of the NPPG8 policy.

1.23 Appendices 1 and 2 set out the original and the final methodology employed.

2. GENERAL RETAIL CHANGES

2.1 The first of the six key issues is to look at overall changes in retail patterns, which can affect retail planning and development in Scotland. This was researched for the study by IRS, through an extensive bibliography, and is summarised in a comprehensive literature review provided for the client group. The literature review also included some further research by CBRE into background retail planning commentary amongst the planning and property profession. In addition, various further material emerged from the retail profiles, questionnaires, discussion groups and other sources, throughout the research.

2.2 We summarise below the findings from desk and survey research and summarise our implications at the end of this section.

FINDINGS FROM DESK AND SURVEY RESEARCH

Literature Review

2.3 The IRS report makes it clear that it is fundamentally important for any review of NPPG8 to have a full understanding of the retail sector. Specific reference was made to comprehensive reviews such as research by John Dawson on "The future of patterns of retailing in Scotland (2000)" and further research by IRS for the UK Department of Trade and Industry in 2002. In drawing from these and many other sources, IRS concentrated on the scale and scope of retailing as a crucial sector and a major contributor to the Scottish and UK economy. Households in Scotland are engaged in various forms of shopping activity and there is a significant retail sector providing employment, particularly for the female segment of the labour force. Beyond the large omnipresent chain of retailers, there exists a large body of independent businesses throughout Scotland. Although IRS recommends significant central government improvements to data collection in order to analyse the importance of the retail sector, from available sources the scale parameters for Scotland include sales of approximately £19 billion in 2000, a network of approximately 22,500 shops and an employment base of 230,000 people in Scotland.

2.4 Within this overall scale of retailing in Scotland are various dichotomies; from some of the largest retail businesses in the UK such as Tesco with sales of over £22 billion pounds and components of the world's largest business (ASDA/Wal-Mart) down to the local corner shop or even the car boot sale stall holder. A single shop can employ many thousands of staff or can be a one-person enterprise.

2.5 Providing a clear form of mapping of the retail sector is a difficult challenge for planning purposes. Official data are available and these essentially follow a "line of trade" typology and this approach is used in most of the reviews of the sector. IRS recommend that any analysis of the sector should recognise that there is a fundamental blurring of the overall retail sector in both the product line horizontal dimension and the channel activity vertical dimension.

2.6 With respect to the horizontal characteristics of the retail sector, as businesses have sought to grow and the physical size of outlet has expanded, traditional product boundaries have dissolved. For example, food retailers now no longer merely sell fresh and dry groceries but also retail electrical products, financial services, clothing and entertainment products (CDs, videos, newspapers, toys). The boundaries of traditional "hardware" retailing now encompass garden products, furniture, and home furnishings. The widening of consumer demand and changing consumer expectations, increased sophistication of stock control and management information systems, plus the appearance of new product markets (e.g. mobile telecommunications) all involve pressures which have encouraged retailers to think and operate "outside" the traditional retail product boxes.

2.7 Change in the vertical dimension of the retail sector is best illustrated by changes in who performs and manages channel tasks and activities. The traditional view of retailing has seen it as one function or activity within a distribution channel which links supply or production to demand or consumption. Tasks, activities and roles within this channel process were clearly delineated. Retailers were essentially passive, responding to the lead of brand manufacturers, and relationships between the various actors were dual focused and transactional in nature. As retailers have used their increased organisational scale, and growing control over customer access and information to take the lead within the distribution channel, the management and organisation of tasks and activities has changed. Retailers have assumed a pro-active role in a demand (as opposed to supply) chain to manage the whole channel process. The need to meet a range of customer needs, desires and priorities has required retailers to manage costs and activities within the channel through a more co-ordinated, integrated approach to activities. This is well seen in issues such as the persistence or not of wholesaling, transportation or packaging businesses. The outcome is again a "blurring" of the traditional boundaries used to delineate retailing and assess its role and importance within the economy.

2.8 This fundamental change in process for the leading retailers, and generally for the retail sector as a whole poses problems in understanding the contribution that retailing makes to a country and in any international comparisons. For the UK and for Scotland, the poor quality and quantity of official statistics further complicates any data or statistical processing. It is more sensible therefore to discuss broad trends and tendencies when considering retail change. This is also beneficial where the time horizon is long in retail terms. We can summarise the main trends in Scottish retailing (Table 2.1).

Table 2.1: Trends in Scottish Retailing in the 1990s/early 2000s (after Dawson 2000)

A decrease in the total number of shops	Whilst there are no data to prove or disprove this, it is believed that the number of shops in Scotland has declined.
An increase in the number of large food and non-food superstores	There have been more difficulties in finding suitable sites for superstores, particularly out of town, but their number has continued to grow.
New shopping centres	Large new shopping centres have been established (both planned and unplanned) and have become part of the retail fabric, both in-town and out-of-town.
Growth of retail sales and floorspace	Data is available here to show that retail sales have continued to grow (albeit more slowly then elsewhere in the UK) and that new floorspace continues to be developed (though increasingly in town centres or on redevelopment land).
Low levels of inflation	Recent years have been characterised by low levels of inflation, making productivity improvements important.
Increase in small store formats	Small store formats have become increasingly important to many retailers and types of small stores have expanded.
Concentration in retail sales	Market concentration has risen in the UK in most sectors, and there is no reason to believe that Scotland is different.
Increased ownership outside Scotland and more international ownership	The Scottish retail sector is open and as a consequence has become increasingly integrated into a UK and an international retail sector. Head offices of many retailers operating in Scotland are outwith the country and decisions are made other than in Scotland.
Extension of product ranges in superstores	The horizontal blurring of retail activities is well recorded in the increasing product ranges and services in the large food and non-food superstores.
Strengthening of primary locations and weakening of tertiary ones	Primary locations continue to have high rental demand and to perform well, but the size and scale of these areas is reducing. Outside the core areas, the weakest parts of towns are suffering considerable problems.
Large retailers taking control of the supply chain	The vertical blurring of retail activities is seen in the control of supply chains that is exercised by large retailers. Such control is associative and coercive rather than direct operational but does nonetheless put pressure on suppliers.
Changes in accessibility to retail provision	Whilst the concept of 'food deserts' has aroused media interest, it remains problematic. The metaphor does highlight that changes in accessibility to retailing have occurred and that some locations (both urban and rural) are seriously deprived of access to food and non-food retailing.
Increased use of sophisticated technologies by retailers	Retailers are heavy users of increasingly sophisticated technology to control their businesses. Some of this is apparent to the consumer.
More variety of potential locations	As consumer behaviour has changed, so retailers have sought

	to match this through exploring a variety of new types of locations often associated with movement or lifestyle activities.
Wider use of town centre management	Town centres have had to combat locational changes in retailing, and one management approach to this has been by better collective control and marketing of town centres, through town centre management and other approaches.
More awareness of retailer activity	The consumer, media and government have become more retail literate as retailing has become more central to economic performance and consumer life.

Understanding Change

2.9 The discussion of recent trends in Scottish retailing now needs to be placed into a wider context. The framework used here is based upon three components. First is the identification and assessment of key drivers for change influencing the retail sector. These factors are external to individual businesses within the sector but shape the broad competitive environment within which retailers operate. Secondly, there is a consideration of the structural characteristics of the retail sector. This allows analysis of the business organisation of retailing within individual sectors in respect of ownership, competitive structure and scope – in effect charting the shape and resource base of the sector. Finally, the focus is upon internal characteristics and competencies within retailing. This requires identification of core operating competencies, which contribute to success within retailing. As with all frameworks however artificial barriers between levels of analysis are inevitable and we would emphasise that linkages amongst the three components exist.

(a) Drivers for Change

2.10 Competitive analysis starts with an assessment of the environment within which a business operates. For the purposes of this report a framework considering key drivers for change will be utilized. Change within each of these interrelated drivers contributes to the broad environment within which retailing operates. These drivers are identified as :

- Political Structure and Trends
- Economic Structure and Trends
- Socio-cultural and Lifestyle Aspirations
- Demographic Structure and Trends
- Production and Process Innovation
- Environmental Changes and Trends

Table 2.2: Drivers for Change

Driver	Agents of Change	Future Considerations
Political Structure and Trends	Planning Policy	land use policy control over location and attitudes to issues of sustainability, accessibility and transportation.
		perceptions and understanding of the structure of the sector, ownership and behaviour, and the implications of market power.
	National Debate	regulation of trading activities (selling and employment practices); " red tape" and costs of compliance.
		role of EU in business regulation; entry into the Euro (?)
	Business Regulation	
		infrastructure development, awareness and capabilities for customers and business.
	Role of Europe	
	E-Society	

Driver	Agents of Change	Future Considerations
Economic Structures and Trends	Economic Performance Open Market	investment potential of the sector and retail property scale at national and international level; non-UK ownership of the sector.
	Personal Disposable Income	consumer confidence; role of credit and interest rates; potential pension "timebomb".
Socio-Cultural and Lifestyle Aspirations	Beliefs and Behaviour	contradictions in behaviour, conflict between desire for differentiation/complexity and generic/simplicity; fragmentation of demand and behaviours.
	Work and Leisure	changing time budgets; importance of shopping "mood"; who shops, when, and where.
	Mobility	perception of actual and mental distance and mobility have grown; desire for consumption on the move.
Demographic Structures and Trends	Population Structure	lifestyle and lifestage segments (Tweenies); ageing population as consumers and employees.
	Household Change	demise of nuclear family and rise in single person households (products, size, shopping trips); location of new households.
	Migration	integration v enclaves - diversity in stores and locations; regional differences in cost of living.
Product and Process Innovation	Product Innovation	difficult to anticipate; pressures for minimisation, convenience and durability; new ways to make, store and communicate; customer acceptance and adoption. internet as a new way of shopping or an additional channel; segmentation of internet use (price, service, time); sector specific uptake and impact.
	Shopping Process Change	changes in retail tasks and activities; delivery issues as move from "customer to shop" to "shop to customer"; B2B use and channel reconfiguration, reorganisation and relationships.
	Business Process Change	
Environmental Changes and Trends	Quality of Environments	quality (not volume) of retail space; polarisation of shop size (large and small); re-use of space.
	Energy Use	transport related issues, (movement of customers and products); efficiency and costs of energy use in store operations.
	Reuse and Recycling	costs of recycling (borne by consumer or business).

(b) The Sector Structure

2.11 The influence of the external environmental drivers and the capacity for retail organisations to respond to the opportunities and threats posed by these changes is moderated by the structural characteristics of the retail sector. These contribute to competitive analysis through an understanding of the implications for organisations arising from issues surrounding scale, scope, the organisation of businesses and resources. The key considerations here include:

- Size and Scope of Retail Sectors
- Competitive Structure
- Organisational Structure and Competition
- International Opportunities and Threats

Table 2.3: Sector Structure

Structural Issue	Manifestation	Future Considerations
Size and Scope	• Blurring of "Retailing" Boundaries • Product/Service Balance	• horizontal and vertical blurring of retail boundaries; definition of "retail"; retailing as a process not a product delineated sector. • movement into service markets and products with service element; innovation in ranges and service expansion to grow retail market.
Competitive Structure	• Polarisation of Organisational Scale • Mergers and Acquisitions	• dominance of multiples and "organised" retailing; scale through growth, franchising and co-operation. • in an open market all companies are available at a price; future of middle sized chains as independent businesses.
Organisational Structure and Competition	• Vertical Power • Horizontal Power • Sameness and Standardisation • Internet as Competition	• dominant retailers with strong vertical power, exercising control, administration and command over supply chain. • spatial nature of competition driven by the multiples; new locations and formats within the context of planning policy interpretations • scope to provide variety through alternative retail forms, small shares but locally important • easy entry, but survival difficult; role of brand, trust and experience in long term success; variable sector impact; multi-channel rather than replacement
International Opportunities and Threats	• Inward Investment • Outward Investment	• attractive market and relatively easy entry, but some format based barriers and cost structures different; scope for further inward investment • mixed experiences, large and small; competencies in management, local market awareness and innovation key; risky but future growth opportunities

(c) Internal Characteristics and Competencies

2.12 An analysis of internal characteristics and competencies within retailing provides an assessment of core competencies and capabilities. Although operational areas are intrinsically inter-linked, for purposes of analysis core competencies are identified in:

- Retail Operations
- Employment Characteristics
- Marketing Activities
- Supply Chain Management

Table 2. 4: Internal Characteristics and Competencies

Internal Characteristic	Feature	Future Considerations
Retail Operations	• Rising Costs	• rising cost of space in all locations and impact of upward rental reviews; compliance costs for smaller retailers
	• Scale and Leverage	• ability to spread costs with scale; efficiency of space use and leverage of assets; cycle of growth
	• Data Utilisation	• tactical use (labour utilisation, stock management, targeted promotions); strategic use (market segmentation, location decisions, channel management and reconfiguration)
	• Crime	• recognition of cost and source of crime; management of crime as cost activity
Employment Characteristics	• Labour Use	• labour efficiency through part-time deployment to match trading peaks; pressure on labour supply with demographic change; switch of labour management approach from "cost" (efficiency) to labour as "service" (retention and training)
	• Perceptions of Jobs	• tension between low skill/ routine job elements and service and personal skill requirements; poor perceptions of sector and some retailers; recruitment and retention issues
	• Self-Employment	• perception versus reality of running own shop; limited training and support; time management and succession issues
Marketing Activities	• Branding	• retailers as brands in their own right; understanding role of total business values in creating "trust"; all elements of operation contribute to brand values not just products
	• Stakeholder Communication	• communication of value and brand through behaviours (staff and service) and "visible" store (design/ refurbishment); importance of all stakeholders (customers; staff; suppliers); heavy use of advertising and promotions to emphasise values
Supply Chain Management	• Channel Management	• manage and organise channel as single entity; functional (material handling and logistics) approach to supply chain management perspective;
	• Technology	• information management to deliver cost and service benefits; demand (not supply) chain attitude (reduction in time to market, response

Internal Characteristic	Feature	Future Considerations
		times, stock levels) • specialist service providers (e.g. transport and warehousing) to manage channel as a process
	• Out-Sourcing	• scope enhanced by technology, need for innovation, consumer demands and pressure on costs and prices
	• Global Sourcing	

The Implications For Retail Planning In Scotland

2.13 There are many ways in which the interplay of the issues identified above could be translated into impacts on retailing in Scotland. Not all of these impacts are clear at this stage. Not all of the impacts are requiring of a planning policy response either. However, there are some issues that should be highlighted for their potential effect on the shape and scale of the retail sector, and the resulting potential impact of this on consumer behaviour in Scotland. These effects may require reconsideration or reaffirmation of planning policy towards the sector. These issues are:

- Accommodating retail sales growth
- Format developments
- Locational developments
- Accessibility issues
- Competitive effects

Accommodating Retail Sales Growth

2.14 Despite issues about the future shape and level of the population in Scotland, it is believed that there will be sales growth in the retail sector. Ordinarily, increasing sales growth leads to an increase in requirements for more locations for retailing, but some caution could be expressed here. The development of the Internet as a retail channel that is growing will have some sales effect. Increases in productivity may also be possible for some retailers from existing locations. Whilst the sector may therefore have to develop some new locations, the evidence would seem to be that there will be fewer shops in the future in Scotland and that the problem of accommodating growth is not one that needs a macro planning policy change.

Format Developments

2.15 Retailers will continue to develop their formats to meet the changing consumer demands. Whilst we could speculate about the shape and direction of these formats, from a land-use planning perspective there would not seem to be the need for major new departures in terms of formats. Instead, the issues are likely to be: the mixed use at some locations and in some formats and the potential for new formats in newer locations that currently do not have retailing. One of the concerns might be the ability of existing retail units to accommodate modern retail demands in terms of scale and size as well as operational attributes.

Locational Developments

2.16 The locations through which retailing is carried out may well change. Certainly existing trends point to a concentration of development. Whilst the number of centres may indeed grow, the overall effect may be to polarise the locational map for retailing. New developments will have to be thought through very carefully in terms of their effects on the existing retail fabric. In some cases new development may mean an opportunity to focus retailing and other activities at one site. Retailers' ability to change product mix in existing off-centre stores provides a competitive advantage over retailers who are still trying to secure off-centre sites.

Accessibility Issues

2.17 If the predictions for falling store numbers and some concentration of locations are correct, then there will be accessibility issues for consumers that will only partially be alleviated by electronic developments. Access to food and non-food shopping is a concern at the minute and this may well rise. Planning policy may have to express a view about the desirability of maintaining access as a social goal. Other attributes of accessibility are also important however. Issues about transport mode choice for shopping are likely to continue and planning policy has to be aligned with other policies. However this is a very complex area and data are not really available to support solutions. Congestion in some locations may also affect accessibility, whilst congestion charging in some locations may affect consumer demand for certain locations and types of shopping. There may also be considerable differences in approach needed in rural as opposed to urban areas.

Competitive Effects

2.18 Retailing is likely to remain competitive at many levels e.g. stores, companies, centres and towns. The effect of this and the trends identified above will be to make more locations marginal and to continue to cause problems and issues in terms of dereliction and re-use of retail sites. Some of these will be large developments as well as the more traditional smaller shops. Managing the process of decline may well become a major planning problem in future.

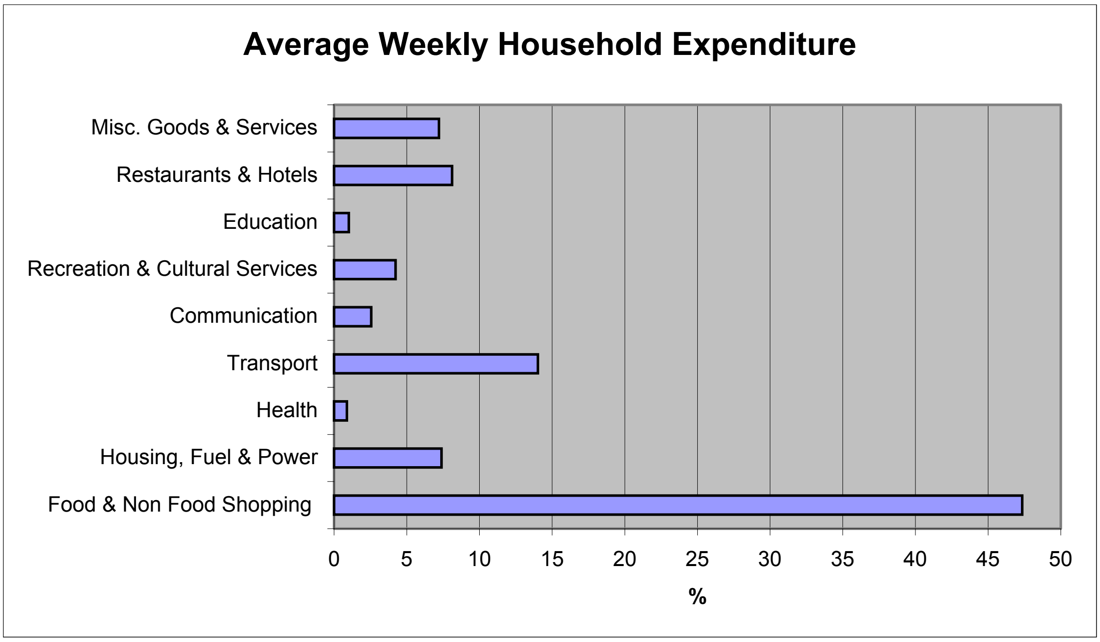
2.19 In addition to the IRS review, CBRE carried out further research on general commentary in the planning and professional press in relation to key planning issues. However, the most useful information gleaned from this exercise was on specific issues which are addressed in subsequent sections of this report. There were more useful sources on general retail trends from retail profiles and the reports of surveys, summarised in the headings below.

Retail Profiles

2.20 The CBRE research included some selected profiles of demographic, expenditure and floorspace data which helped to inform the study on various background trends in Scotland.

2.21 The first, and most up to date source of retail information was from Scottish household expenditure patterns in The Retail Pocket Book 2003. Table 2.5 demonstrates average weekly household expenditure in Scotland:

Table 2.5 Average Weekly Household Expenditure

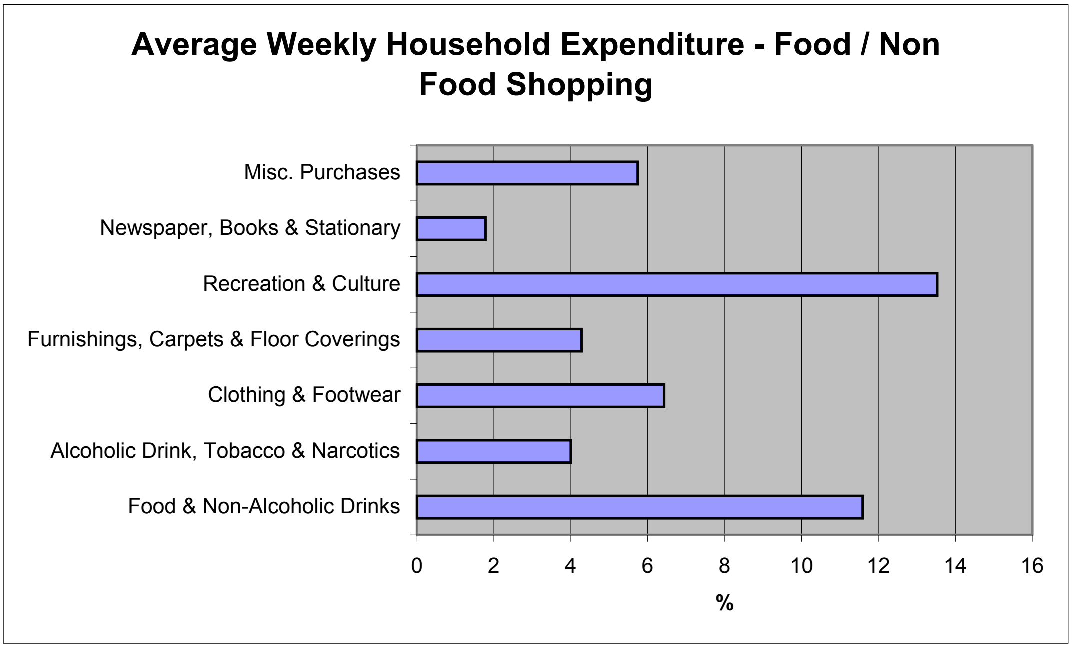


2.22 These expenditure data clearly show just what a significant element of a household's individual weekly spending capacity is directed towards food and non-food shopping, with some 47% of expenditure being spent on this category. Other categories which feature significantly include:

- Transport: including petrol, public transport fares, ticket costs and air travel. It should also be noted that this category also includes the purchasing of new vehicles and accessories, categories which further re-affirm the importance of retailing.
- Restaurants & Hotels: This includes holidays and meals eaten in restaurants, as well as take -away food and drink eaten at home.
- Miscellaneous goods and services: Includes, amongst other things, insurance policies, childcare, bank and credit card charges, legal fees etc.

2.23 Table 2.6 below then divides the retail spend shown in the bottom line of the above graph, into various categories, as follows:

Table 2.6 Average Household Spend – Food/non Food



2.24 Average spend on recreation and culture products feature the most. Such goods include audio and visual equipment, computers, photography, games, toys and hobbies, sport equipment, pets and pet food and horticultural goods. Spend on food and non alcoholic drinks is the next category to feature with over 11% of a household's weekly spend being dedicated to such goods. This is followed by fashion goods at just over 6%.

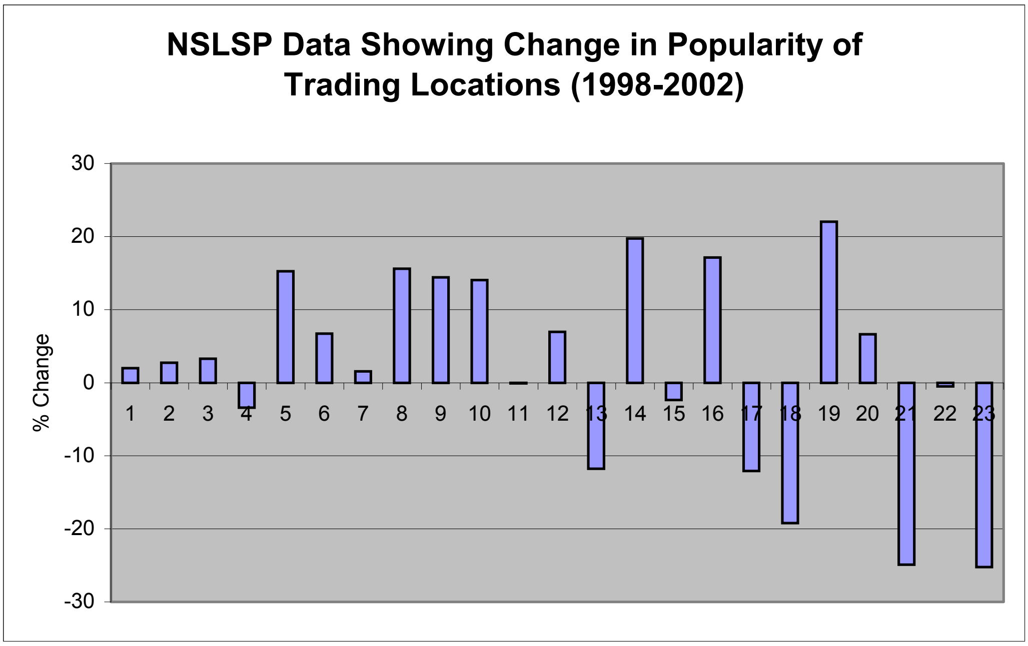
2.25 Another general source used in the study is CBRE's National Survey of Local Shopping Patterns (NSLSP). This forms a UK wide national telephone shopping survey, based upon the responses of more than 1 million UK households. This survey has been undertaken in 1998 , 2000 & 2002.

2.26 From the survey results, CBRE's in-house research department have identified the catchment areas and catchment penetration rates of all significant retail locations within the UK. While this data is very useful in analysing specific retail locations, some analysis of Scotland's national retail trends can also be drawn from the data.

2.27 For Scotland, the NSLSP identifies 230 trading locations, based upon consumers' responses to where they undertake their main comparison shopping. The survey then ranks each location from 1 to 230, based upon the number of customers which stated that they use that centre / location.

2.28 While the individual shopping population figures established for each specific retail location cannot be divulged, due to confidentiality, Table 2.7 below categorises the 230 locations into 23 groups of 10, i.e. the trading locations ranked as 1 to 10 comprise group 1. From these data it is then possible to calculate the percentage change of consumers using the 23 groups over the five-year period from 1998 to 2002.

Table 2.7 NSLSP Data



2.29 Table 2.7 demonstrates that the top 30 ranked comparison goods trading locations (i.e. groups 1 to 3) have, on average and to a limited extent, improved their strength within the overall retail hierarchy, with a greater number of the survey respondents stating that they undertook their main comparison shop within these locations in 2002 than in 1998. The top three groups have increased their shopping population by 2%, to 2.74% and 3.3% respectively.

2.30 These data also suggest that those trading destinations ranked between numbers 41 to 100 (groups 5 to 10) have, in overall terms, improved their market shares more significantly with, on average, locations increasing their population draw by over 10%.

2.31 Finally, the data suggest that those locations positioned towards the bottom of the ranking are tending to perform badly, in that the number of people shopping there has reduced over the past four years. This suggests that, although retail locations currently performing strongly continue to improve and increase their customer draw, those retail locations which are ranked at the lower end of the hierarchy are finding it increasingly difficult to retain their levels of market share.

2.32 Another source of data is CBRE's detailed research regarding retail development, currently in the development pipeline and historic retail completions. The full extent of the research is included in the Desk Research Report to the client. A summary of the main findings is detailed below.

2.33 From the CBRE research on non-food comparison shopping floorspace development pipeline data for the UK, it has been possible to disseminate certain data on the level of floorspace that is in the process of being developed. This has been undertaken in terms of location, i.e. town centre and out of centre locations, and in terms of retail format, i.e. shopping centres, retail warehouse parks and factory outlet centres. It has also been possible to compare this data with UK wide trends and to review the situation in terms of Scotland's three most dominant retail locations, Glasgow, Edinburgh and Aberdeen.

2.34 These data examine the amount of retail floorspace (all figures stated within here are in sq ft) which is in the pipeline at February 2003. This relates to the following stages of the development process:

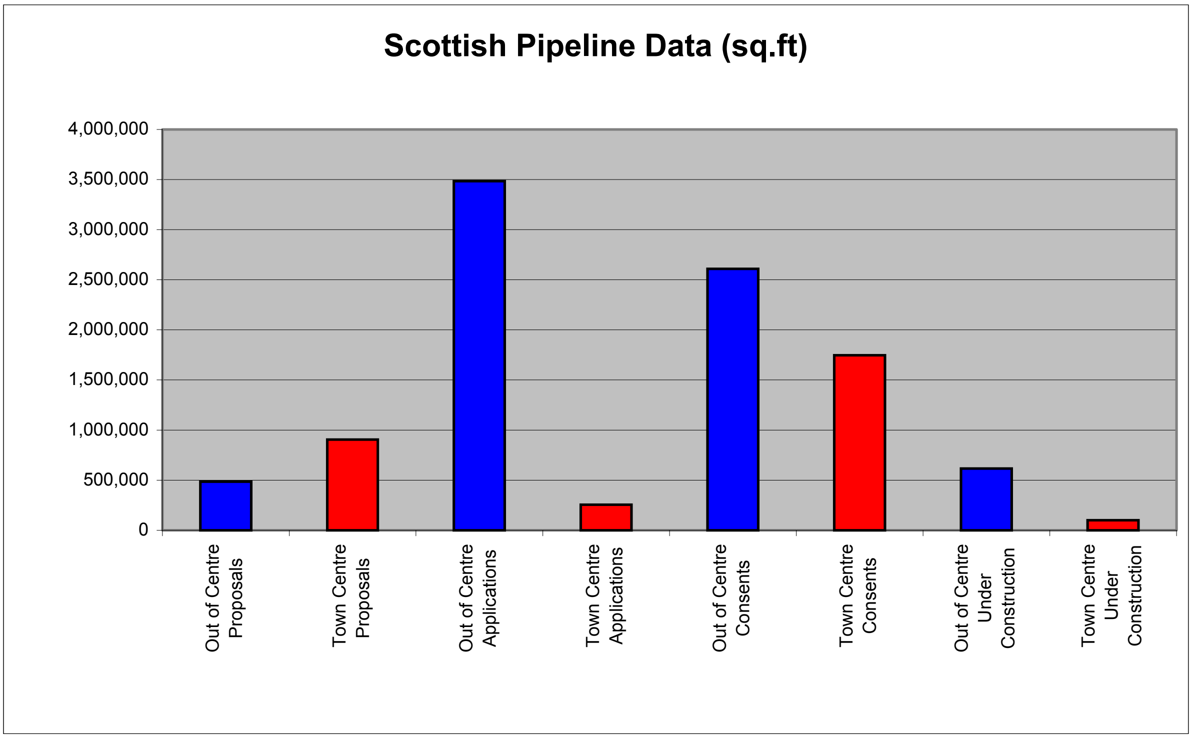
- Retail Proposals: Developments detailed in the press etc. but as yet not subject to a formal planning application. Caution should be attached to the evaluation of such figures due to the fact that some major proposals may never come to fruition.

- Applications: Submission of both outline and detailed planning applications that have yet to be determined.

- **Consents:** Schemes which have secured outline or detailed planning consent.
- **Under Construction:** Retail proposals which are in the final stage of completion.

2.35 In the first instance, Scottish pipeline data has been examined in terms of location, i.e. town centre and out of centre.

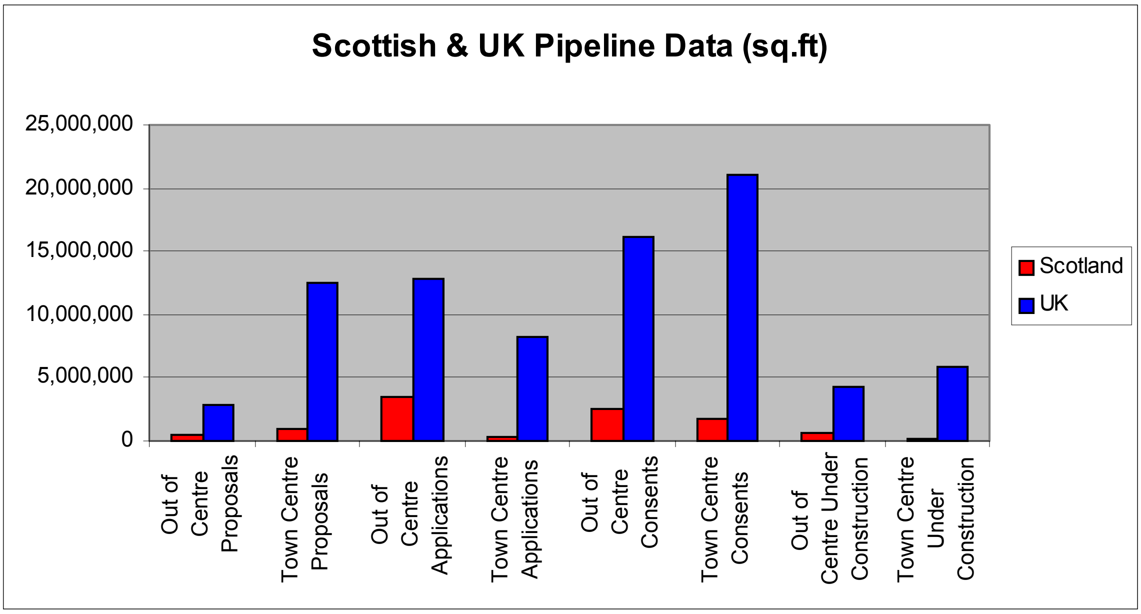
Table 2.8 Scottish Floorspace Pipeline



2.36 Table 2.8 demonstrates that, in general, the amount of retail floorspace currently in the development pipeline, located in out of centre locations exceeds the level of floorspace proposed within town centre locations. This is particularly the case in terms of both detailed and outline planning applications for retail development. However, it appears that this difference is significantly reduced in terms of the level of floorspace which actually successfully achieves planning consent. Despite this, the level of floorspace being constructed in out of centre locations is greater than that located within town centres.

2.37 In summary, the data suggests that taking a current snapshot (5 years into the life of NPPG8) there is certainly no evidence that today's development industry is being discouraged away from the out of centre locations. But the planning system is delivering a level of consents in town centre locations which is not significantly behind the level granted for out of centre.

Table 2.9 Scottish and UK Data

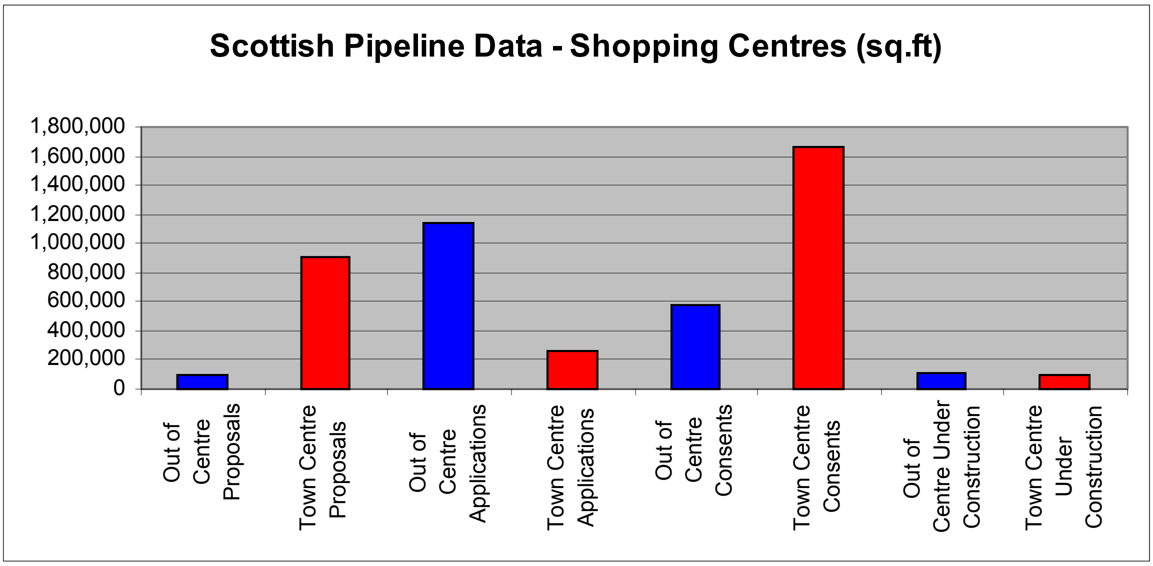


2.38 Table 2.9 details the outline figures stated within the previous table for Scotland and compares them to the UK development pipeline data.

2.39 When a comparison of the two sets of data is made, it is evident that, for the UK as a whole, the level of floorspace located within town centres, which either has planning consent or is under construction, exceeds that level of floorspace located in out of centre locations. This is the opposite of the trend for Scotland, where out of centre consented floorspace and schemes under construction is dominant.

2.40 This difference could suggest that the application of retail planning policy guidance in England and Wales is resulting in higher proportions of consents for centrally located schemes.

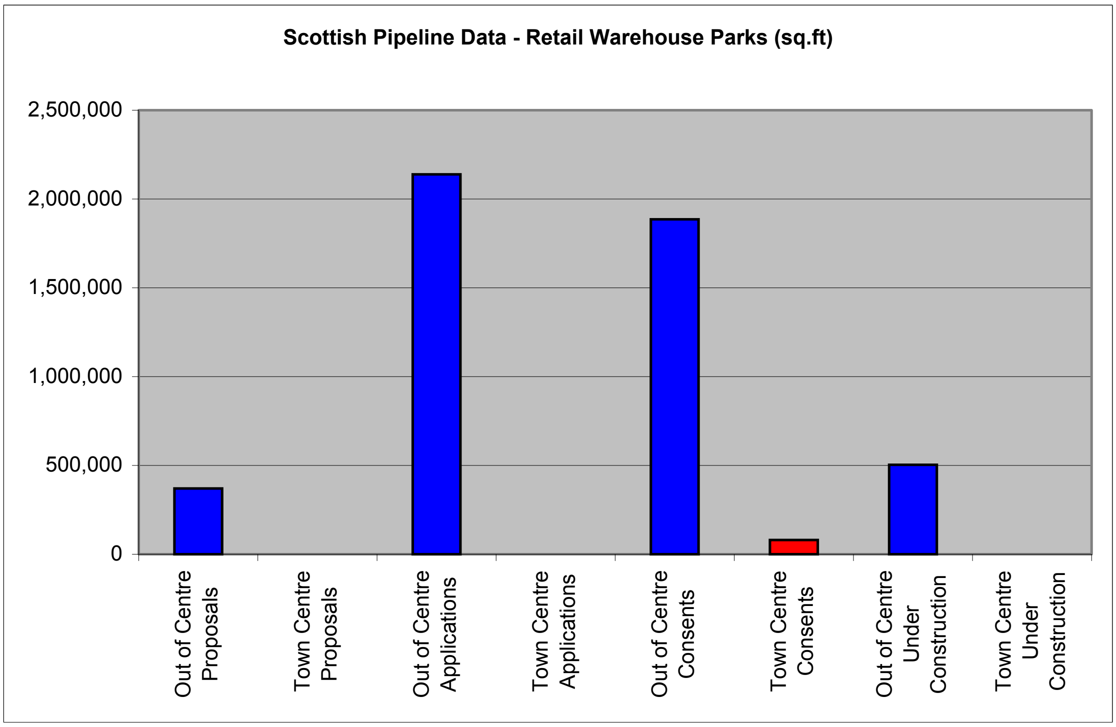
Table 2.10 Shopping Centres



2.41 In table 2.10, we have singled out shopping centre developments for Scotland. Shopping centres are defined as planned/managed single schemes – normally a covered centre or mall type of scheme. It is evident that the level of consented floorspace for shopping centres located within town centre locations far exceeds that located in out of centre locations. This trend exists, despite the fact that the amount of floorspace being applied for within out of centre locations far exceeds those applications submitted in town centre locations.

2.42 This would suggest that the shopping centre format is being successfully directed predominantly towards town centre sites, perhaps reflecting the fact that the shopping centre format is also best suited to town centre locations, as opposed to retail warehouse parks (see below).

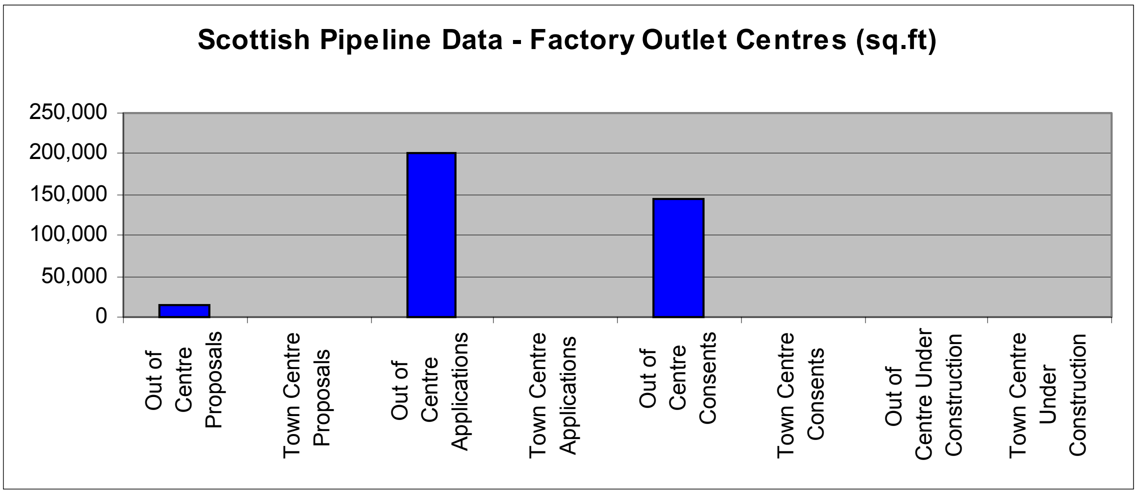
Table 2.11 Retail Parks



2.43 Table 2.11 singles out the retail warehouse parks. Unsurprisingly, the vast majority of such developments are located in out of centre locations. The current level of retail park space applied for represents 60% of the overall out of centre floorspace proposed by planning application (shown earlier).

2.44 In general, the level of floorspace currently being applied for in retail park formats exceeds the level of floorspace submitted for shopping centre formats, with over 2 million sq ft submitted.

Table 2.12 Factory Outlet Centres

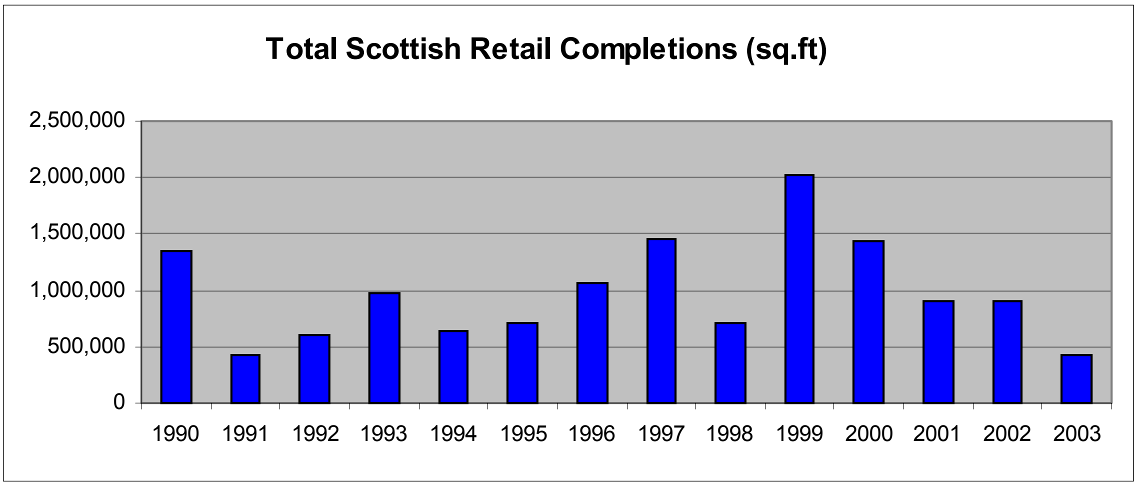


2.45 In terms of factory outlet centres (Table 2.12), these are again located within out of centre locations. Very few factory outlet centres are currently being progressed as proposals and there are no schemes under construction.

2.46 The data used in the above tables are related to the current position. We now look at trends over time. Historic data regarding retail floorspace completions has been examined in order to ascertain retail trends which have occurred since 1990 up to June 2003.

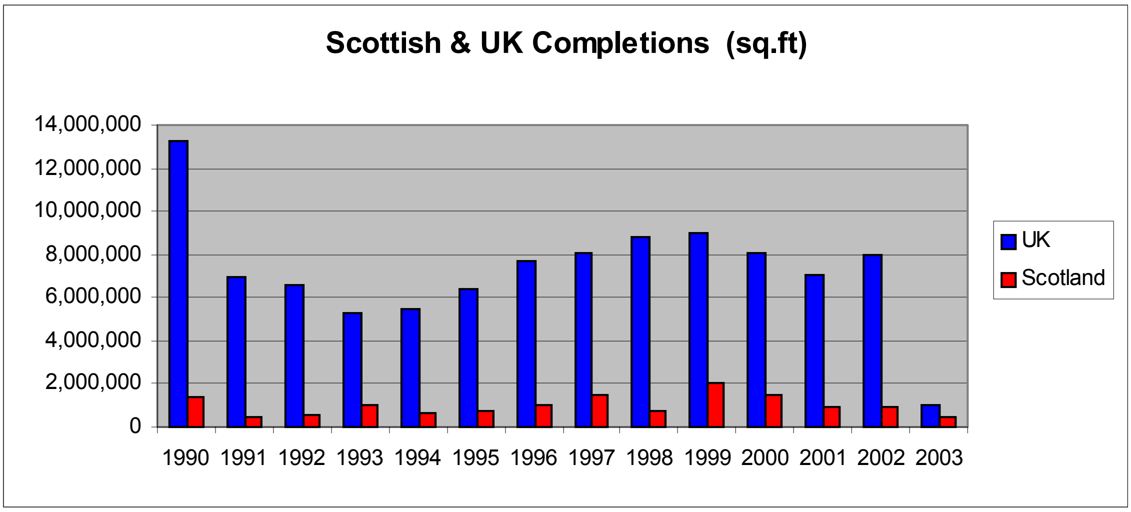
2.47 As with the pipeline data, this has been undertaken in terms of location, i.e. town centre versus out of centre locations. A comparison with the UK completion rates has also been undertaken.

Table 2.13 Total Completions



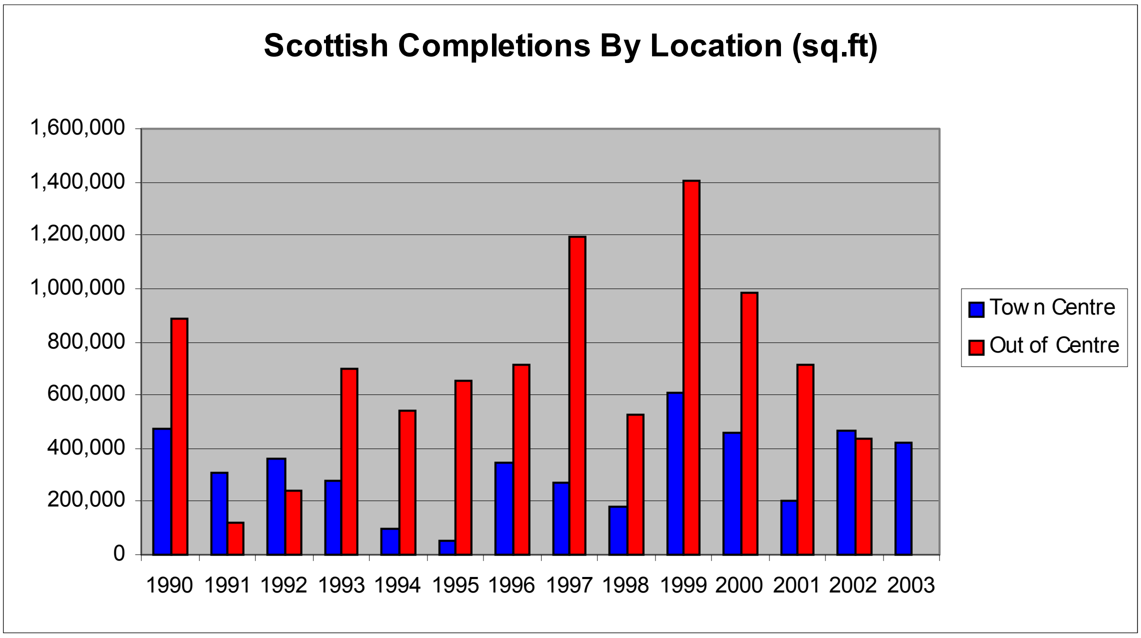
2.48 Table 2.13 details the amount of comparison goods floorspace which has been completed since 1990. A significant boom in retail development, which peaked in 1999, is clearly evident, and this is thought to reflect the very buoyant property development and investment sector, responding to a surge in retail demand in the nineties. It is interesting to note that the publication of NPPG8 in late 1998 almost coincided with the peak of the cycle, the 5 years of subsequent NPPG8 policy has prevailed over a falling trend in retail completions.

Table 2.14 Scottish and UK Completions



2.49 Table 2.14 compares the Scottish completion dates with UK data. Again, the boom in retail development is evident on a UK wide basis, which, as with Scotland, peaked in 1999.

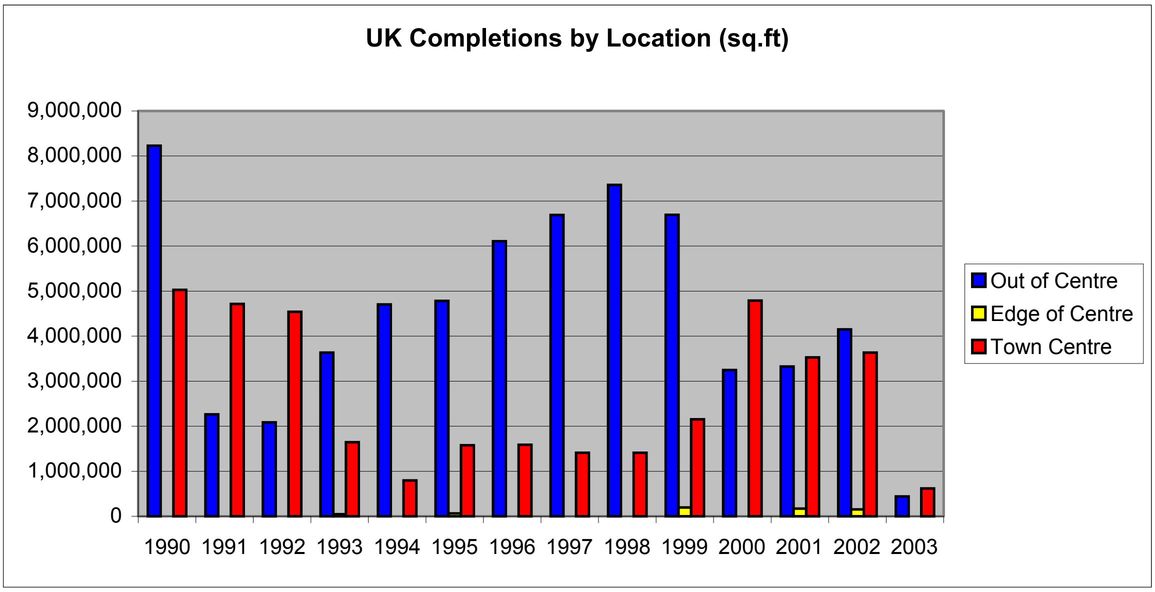
Table 2.15 Scottish Completions by Location



2.50 Table 2.15 details the Scottish completion rate and divides these into town centre and out of centre locations.

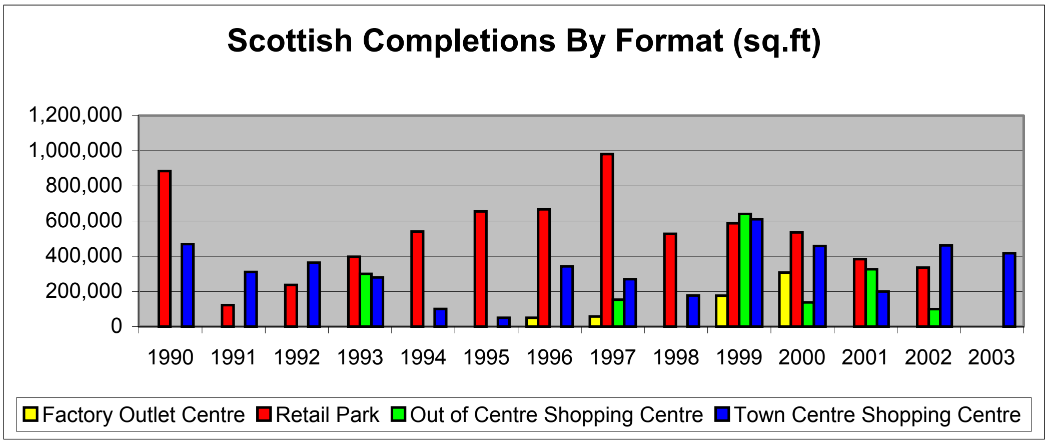
2.51 Town centre completion rates have remained reasonably consistent throughout the period but with some erratic jumps in activity such as 1996 and 1999. However the boom in out of centre retail development in the late 1990's is clearly evident. It can also be seen that this trend has reduced significantly and consistently post 1999. This perhaps suggests that the introduction of NPPG8, in its current form, and the subsequent use of the sequential approach to influence the location of retail developments has been reasonably effective, in terms of retail schemes being actually built-out over the time period. The notable fall in annual out of centre completions is tracked by levels of town centre building, broadly holding their own.

Table 2.16 UK Completions by Location



2.52 Table 2.16 (above) details the UK completion rates by location. The late 1990's peak in retail development is again clearly evident, with the level of floorspace being completed generally decreasing thereafter. For the UK as a whole, the level of floorspace located within town centre locations has been increasing since mid 1990s.

Table 2.17 Scottish Completions by Format



2.53 This final table (Table 2.17) details the Scottish completion rates and divides them into format, in terms of town centre developments, out of centre shopping developments, retail parks and factory outlet centres.

2.54 In very broad terms, the retail park format has tended to feature more strongly throughout the period, particularly during the mid and late 1990s. Similarly, town centre shopping centre developments are also fairly consistently evident throughout the period, although a lower level of floorspace has been developed when compared to retail parks.

2.55 The Scottish pipeline and completions data for comparison goods detailed above helps to show the current mood in the development industry and recent trends. Whilst many other factors such as investment cycles, retailer demand and developer activity may influence these trends, it is expected that national retail planning policy is also a contributing factor.

2.56 For the NPPG8 review, the important points to summarise from the charts above are:-

- No evidence, that post 1998 NPPG8, there has been any hold placed on retail development. High levels of activity have continued.

- No evidence that the industry has been discouraged from making proposals for out of centre floorspace, but some evidence that the “planning policy filter” results in less space allowed than proposed, in out of centre locations.

- Evidence that a healthy level of town centre consents is still being produced on an annual basis and no reduction over time in the build out rate for town centre space.

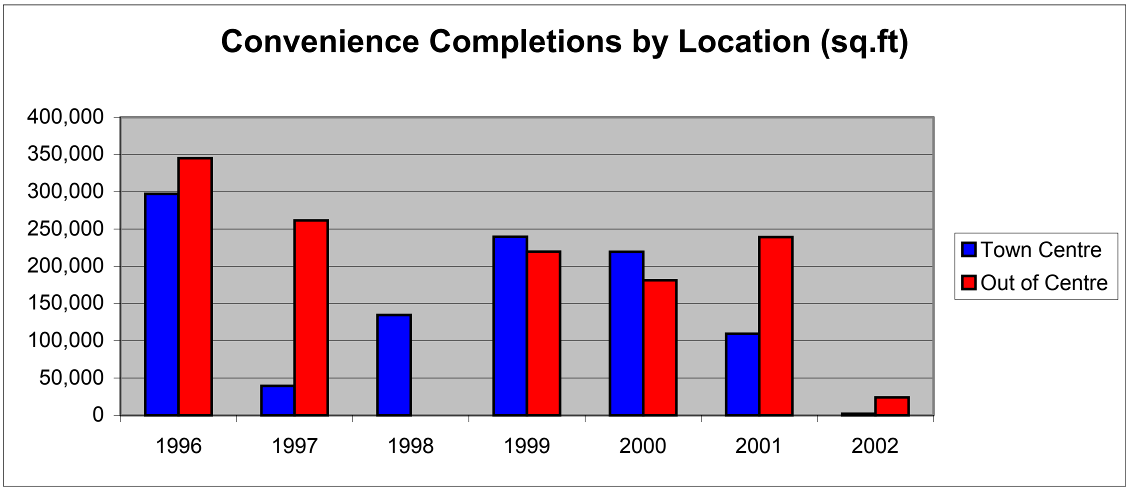
- Evidence that the retail warehouse park format has been highly popular in Scotland (and arguably stronger than town centres compared to UK trend). Although the charted statistics for retail warehouse parks are remarkably high, it should be noted that some retail warehouses, particularly for bulky goods, are more extensive in floorspace layout than town centre malls/centres and less intensive on turnover density. For instance, 10,000 m. sq. could sustain only one large DIY unit with a low turnover density and spacious internal layout; whilst this can be contrasted in the same floorspace in a city centre mall sustaining more than 30 retailers, all trading at much higher turnover densities per square metre. On the other hand however, there are some retail parks which have flourished without restriction and produced “high street from sheds” retailing in decentralised locations, whilst relatively little development has emerged in the nearby town centre.

- Evidence from the charts also show some surges in out of town centre shopping centres (the 1999 Braehead opening is apparent) and a period from 1996 to 2000 where factory outlet centres were prolific (this has now abated) and a late showing in 2002/03, of more focus on town centre completions taking up most of the activity.

- Overall, one clear point from these charts is that, although there has been a high level of floorspace proposed, consented and completed in the out of centre locations, this has not been accompanied by a dearth of proposals in central locations. Town centres have continued to show consistent levels of activity throughout the periods covered and indeed the most recent data suggests that they remain as one of the strongest areas of investment.

2.57 Although CBRE does not hold data on convenience shopping floorspace in Scotland, we have obtained some recent data from the Institute for Grocery Distribution (IGD) relating to convenience goods. Table 2.18 below gives the overall pattern of town centre/out of centre food store openings since 1996.

Table 2.18 Convenience Completions



2.58 While this data is relatively inconclusive, the above table shows total convenience completions in Scotland, according to different locations.

2.59 Table 2.18 shows an arbitrary division between town centre and out of centre. Indeed, IGD have classed edge of centre locations amongst their out of centre data. Even with this classification, it is shown that a relatively high level of out of centre foodstore floorspace is well matched by strong levels of town centre completions, indeed town centre construction predominated in 1999 and 2000. From our review of the raw data, it is notable how many small stores such as Co-ops, Safeway at BP stations, small Tesco formats and Sainsburys Central add up to make significant amounts of floorspace in town centre or neighbourhood centre locations. However, town centre/neighbourhood location has also been used by IGD where they consider a new large foodstore has been located conveniently, to service an immediate neighbourhood catchment.

2.60 From our review of individual store developments in the IGD data, it appears that these stores do indeed relate to surrounding neighbourhood catchments and, some of them link to existing retail and other social/community amenities. Overall, it should be borne in mind that these classifications have not been on planning grounds, they are from IGD's own classification. A summary point on the convenience floorspace is to note again that the period since 1998 has not caused any significant reduction in annual floorspace completions in foodstores. There has been a slight drop since 1996, but completions since then seem to have remained steady at more than 200,000 sq. ft. per annum in Scotland. There is a lower level showing for 2002 but these data were immature, due to input figures for the whole year not yet being available.

Review Of Policies And Decisions

2.61 The report of desk research provided to the client group included various sources of sample policies and key decisions. In terms of general trends in retailing, our more pertinent findings were in terms of general patterns of common practice in planning policy. There is a clear consensus from the review of policies, decisions and interviews with planning specialists that the thrust of policy as contained in NPPG8, and most notably at paragraph 45, is replicated in local level policies across Scotland. There is limited deviation from the policy as set out in NPPG8. Indeed, there is some criticism from certain local authority sources of the limited scope for local interpretation of NPPG8 policy, especially where this restricts the flexibility of planning decisions in special circumstances such as in remote rural towns.

2.62 The evidence from Development Plan policies shows that there is only limited adaptation of retail issues to reflect local contexts, and that policies are inflexible to react to the rapidly changing nature of retail formats which has been evident over the five year period since the NPPG was issued. In contrast, there is evidence that Development Plan retail policies have succeeded in persuading retailers to adopt differing formats to address the key NPPG8 objective to sustain and enhance town centre vitality and viability.

2.63 The study team is aware of ongoing research by the Scottish Executive looking at the use of model policies. The study team believes that NPPG8 should work in a national framework which provides regular, accurate up dates on global retail trends in order to inform local policy. However, a strict model policy applied across the board in urban and rural Scotland might limit the freedom for local planning authorities, to adapt this context at a local level. Whilst there is evidence earlier in this section of the increasing efficiency of global retailing and the emergence of standard formats emerging from the review of general trends, there is also evidence in the general feedback across Scotland of different circumstances in different geographical areas (particularly in travel patterns in more remote areas). The diversity of experiences across Scotland would work against a standardised model policy.

Transport – Background Trends

2.64 Some useful sources have emerged from the CBP transportation research. There is no doubt that general shopping patterns and trends in Scotland are influenced by varied travel patterns across the country.

2.65 Scotland, in line with the rest of the UK, continues to see growth in the ownership and use of motorised transport. The number of motor vehicles licensed in Scotland in 2001 was over 2.2 million, 3% more than the previous year, and is estimated to be about 27% higher than the number in 1991.

2.66 The percentage of Scottish Households with the regular use of a car has increased from 57% in 1990 to 66% in 2000. In 2000, an estimated 44% of Scottish households had the regular use of one car, 19% had two cars, and 3% had three or more cars.

2.67 The estimated total volume of traffic on Scotland's roads in 2000 was about 43.2 billion vehicle kilometres; the estimated total volume of traffic on major roads has grown by about 16% since 1990.

2.68 Conversely, there has been a decline in the use of bus transport over the same period; in 2000 – 01 there were 436 million passenger journeys on local bus services, slightly more than in the previous year, but 25% less than in 1990-91. There has been some growth in rail travel with a 19% increase over the last 10 years, although rail travel accounts for a very small proportion of overall trips in Scotland.

2.69 These statistics reveal the growth in car ownership and car use across Scotland and the decline in the use of public transport.

2.70 The Scottish Household Survey Travel Diary results for 2001 report that:

- The main mode of travel used for shopping was as car driver (46% of all shopping trips) with a further 16% as car passenger, giving a total car mode share of 62%. Walking (22%) and bus (12%) were the next most popular modes of travel for shopping.
- Mode share differs markedly between types of area – total car mode share ranges from 57% in large urban areas to 80% in remote rural areas;
- The proportion of total trips represented by shopping is reasonably consistent across all types of area, typically between 21-23% of all trips;

- Some 83% of all shopping trips are less than 10km in trip length, with 68% being less than 5km;
- In respect of the timing of shopping trips, 82% of trips are made outside the main morning and evening peak travel periods.
- A higher proportion of shopping trips are made on Saturdays (21% of the weekly total) with some 10% on Sundays.

2.71 The current level of usage and growth in car travel highlights the challenges facing Scotland's town centres in meeting national objectives for promoting sustainable travel. The key issues raised for town centres include:

- The importance of increasing the use of sustainable transport modes for town centre journeys including shopping trips.
- Ways to improve access by public transport including the level and quality of provision.
- The importance of providing an attractive and safe pedestrian environment for town centre users;
- The opportunities to manage car travel and potentially mitigate adverse congestion impacts through traffic management and car parking controls; and
- The role of short term car parking in supporting the vitality and viability of town centres.
- The Scottish public has demonstrated through its travel behaviour that it values decentralised shopping in addition to retailing in town centres.

2.72 In line with the above transport context, CBP have also summarised other general trends and policy issues in the transportation context. Accessible town centres is a key theme of NPPG8 and NPPG17 on transport and planning. Sustainable transport is a key theme to emerging policy and addendum SPP17 on car parking ratios from Scottish Executive also demonstrates a commitment to controlling levels of car usage, through commitment to maximum parking standards.

GENERAL SHOPPING PUBLIC – SURVEYS OF HABITS

2.73 The report of survey research to the client included a summary of general retail patterns observed through various client studies undertaken by CBRE in recent years. In the scope of this study, it was not possible to go any further with extensive sampling of households across urban and rural Scotland. However, it is apparent from various comments from consultees in this research that such an extensive national shoppers survey would be a worthwhile exercise in informing future national retail policy. However, from the CBRE analysis from sample surveys, there are some useful findings.

2.74 The analysis draws upon five household shopping surveys which have been completed for CBRE between November 1999 and July 2003 throughout Scotland. The surveys are as follows:

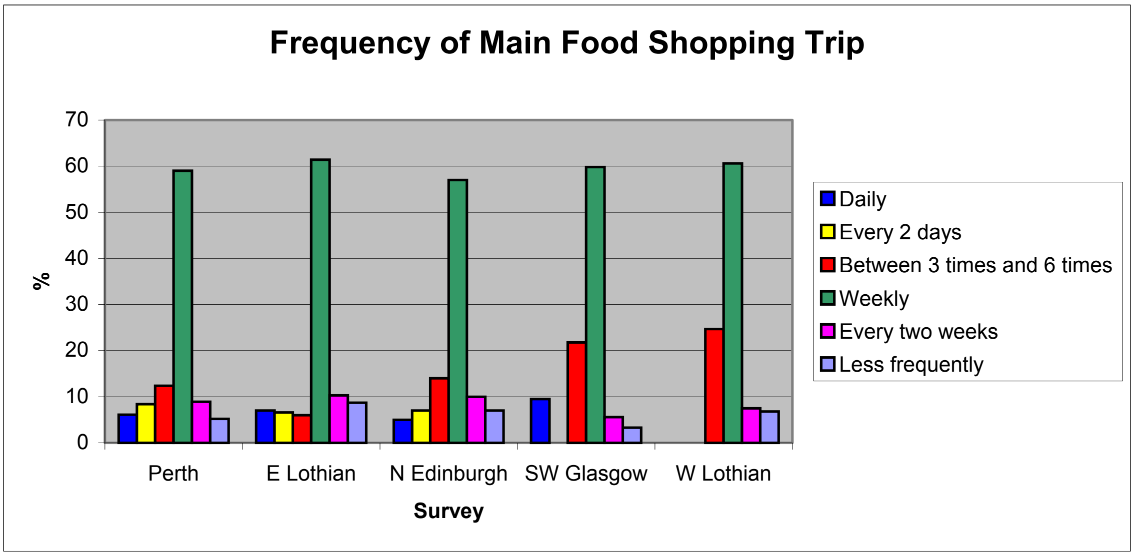
- North Edinburgh Survey on Shopping (November 1999). The survey area focused upon North Edinburgh, centring around the Granton district.
- Glasgow Household Shopping Survey (December 1999). This survey related to south west Glasgow.
- Perth & Kinross Household Shopping Survey (March / April 2002). This related to the geographical area of Perth & Kinross Council.
- Dunbar Telephone Survey (March / April 2003). This area focused upon the town of Dunbar and included the majority of East Lothian and part of the Borders.
- West Lothian Telephone Survey (June / July 2003). Based upon the geographical area of West Lothian Council.

2.75 While these surveys were undertaken by different research companies and involved different methodologies (particularly in terms of the individual questions asked by the survey) it is possible to draw some 'national' conclusions from the survey data which are relevant to this current research. The main aim of these surveys was to establish how each survey area was operating, in terms of determining the levels of trade draw flowing to the various retail destinations located within each area. The surveys also asked respondents for some more general information regarding their shopping habits. It is these responses which form the basis of this analysis.

2.76 At this stage, the physical characteristics of the five survey areas should be considered. While two of the surveys relate to urban areas, i.e. North Edinburgh and South West Glasgow, the Dunbar and West Lothian surveys comprise mainly rural areas within which a number of town centres and other retail locations are dispersed. The Perth & Kinross survey is principally rural in nature with Perth city centre playing the dominant role and various small scale landward towns also featuring.

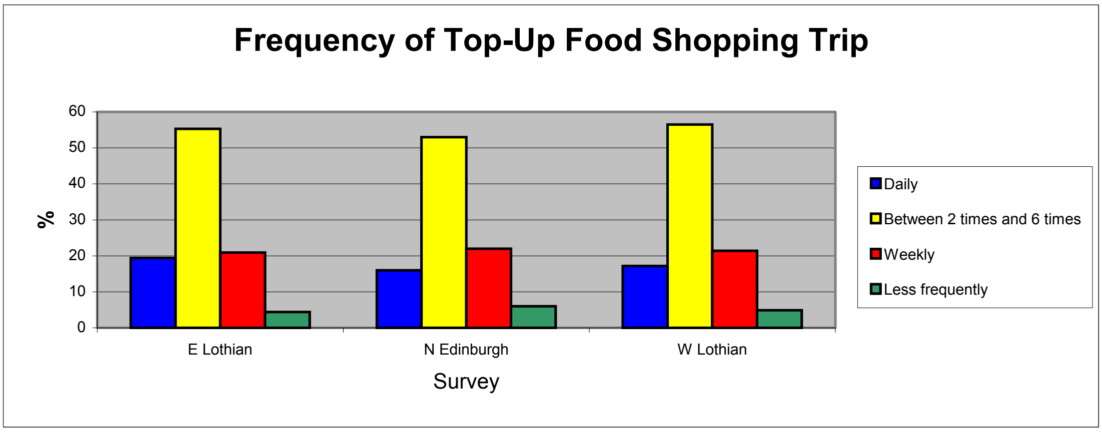
2.77 The graph below details the frequency with which the shopping public undertake their main food convenience shopping trip. The majority of such trips relate to visiting a particular and significantly sized superstore. As can be seen, the vast majority of the public, in each survey over 55% of respondents, undertake such a shopping trip on a weekly basis. This trend is remarkably consistent within all five of the surveys featured.

Table 2.19 Frequency of Main Food Trips



2.78 Within three of the surveys, respondents were also asked the frequency which they undertook top-up convenience shopping trips.

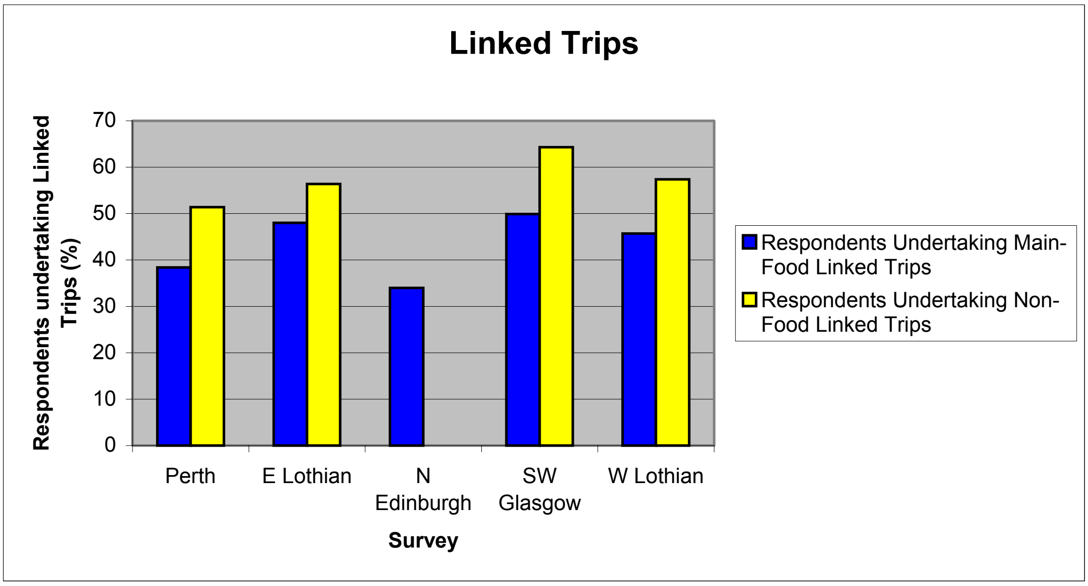
Table 2.20 Frequency of Top-up Shopping Trips



2.79 As can be seen from Table 2.20 above, while some 20% of the population appear to be undertaking top-up trips on a weekly basis, over half of the respondents undertake such trips between two and six times per week. In each case, just less than 20% of respondents undertake top-up food shopping on a daily basis.

2.80 The survey data can also be used to provide an indication of how the population links shopping trips with other activities. This is one of the principles which underlines the promotion of the sequential approach in NPPG8, in that the ability for consumers to link shopping trips with other activities promotes sustainable travel patterns.

Table 2.21 Linked Trips



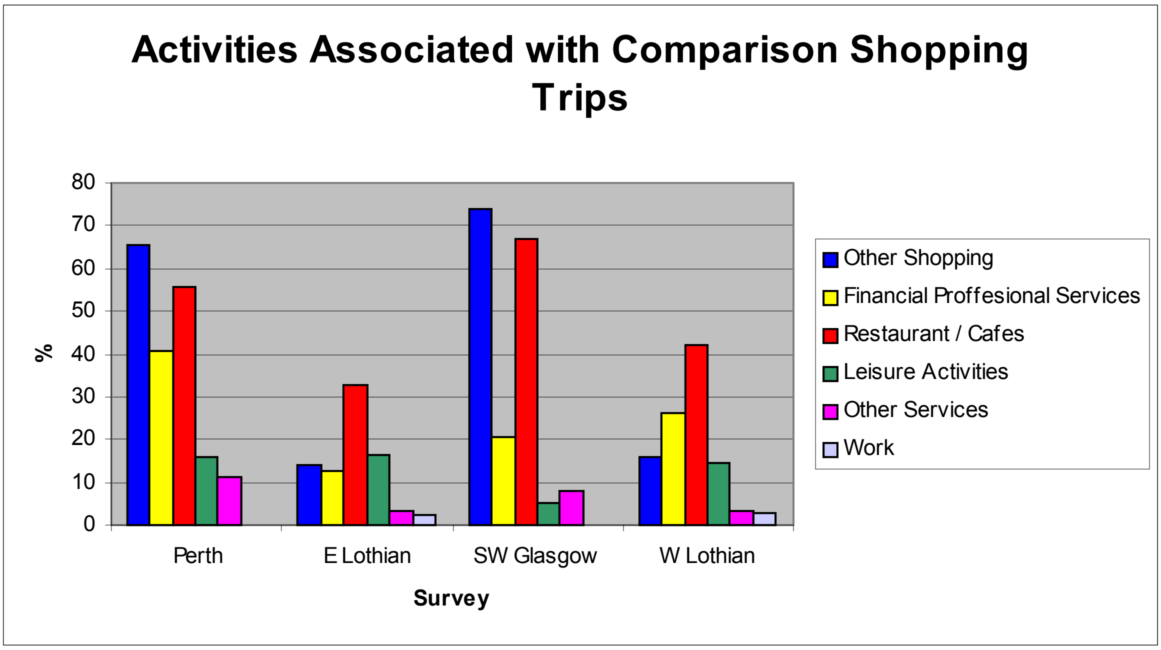
2.81 Table 2.21 demonstrates that for convenience shopping trips, between 30% - 50% of customers tend to link their main food shopping with other activities. In terms of comparison shopping trips, there is a greater tendency for such trips to be linked to other activities, with over 50% of consumers in both surveys participating in other activities while shopping. In the case of South West Glasgow, almost 65% of respondents linked their trips.

2.82 It should also be noted that the responses relating to convenience linked trips will also include superstore customers who undertake other activities and comparison goods shopping within the confines of a superstore. As such, this may over emphasise the level of 'traditional' linked trips associated with convenience shopping which involve superstore customers actually leaving the store and visiting a particular town centre or other elements of a retail location.

2.83 The survey data then allow an analysis of the kind of linked activities which are undertaken with both convenience and comparison goods shopping trips. Responses are as follows:

- other retailing;
- use of financial/ professional services;
- visit to restaurant and / or café
- leisure activities;
- other services;
- undertake shopping to and from work.

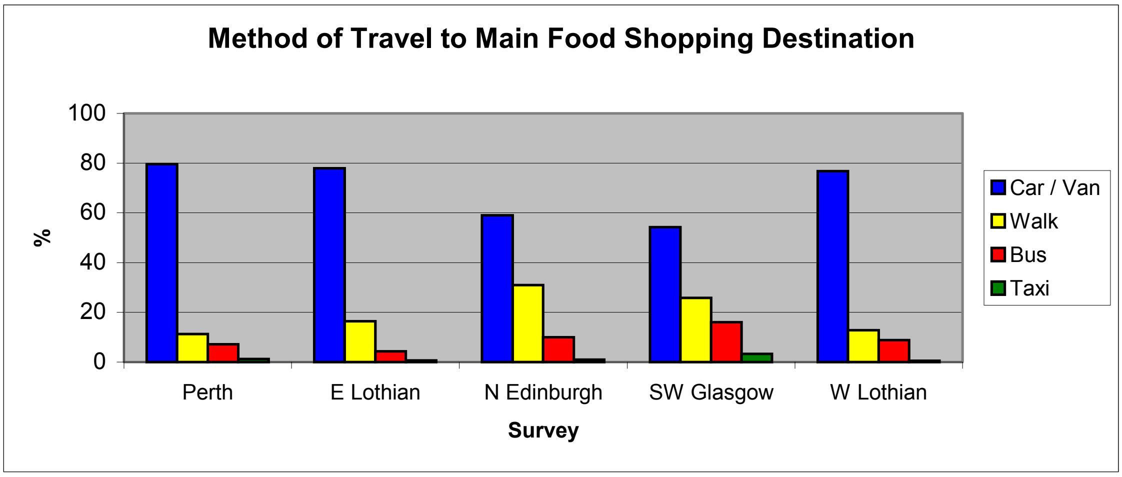
Tables 2.22 Associated Activities

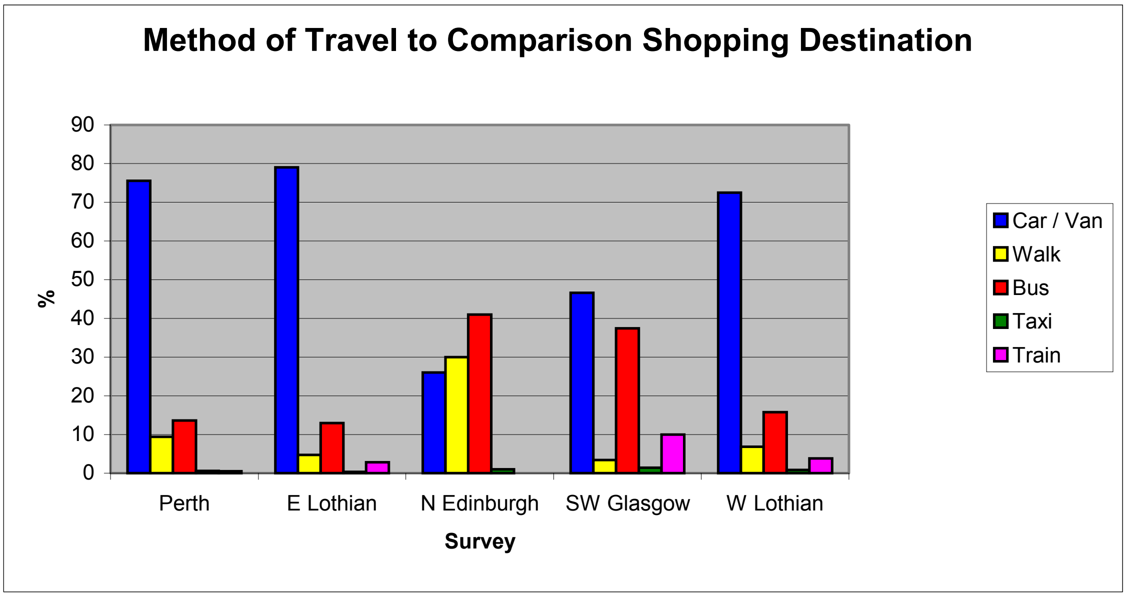


2.84 The above tables detail the linked activities for both main food convenience shopping and comparison shopping trips. While the vast majority of respondents stated that they linked their main food shopping trips with other forms of retailing, for comparison shopping trips, it is evident that consumers are more likely to visit restaurants and cafés, financial and other professional services and undertake leisure activities.

2.85 The survey data also enables an analysis of how customers tend to travel to both their main food shopping destination and their main comparison shopping destination. These are detailed in the two tables below:

Tables 2.23 Methods of travel



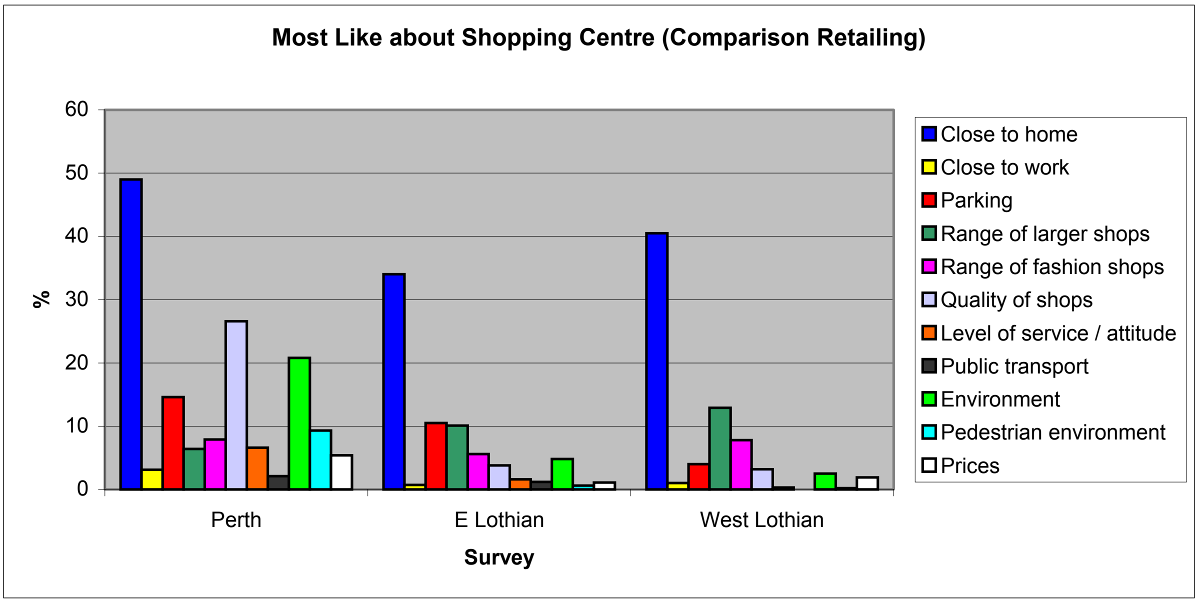


2.86 Within the two urban areas (i.e. Edinburgh and Glasgow) the number of consumers using private car borne transport is lower for both convenience and comparison retailing, when compared to rural areas. In addition, consumers located within the urban areas seem more willing to use public transport, in particular the bus, when undertaking comparison retailing, as opposed to convenience retailing. For example, in the Edinburgh survey, whilst only 10% of respondents used the bus to undertake main food shopping, this rose to over 40% when undertaking comparison shopping. Similarly, in Glasgow this rose from under 20% for main food shopping to nearly 40% for comparison shopping.

2.87 Within the more rural areas, it is evident that consumers are more dependent upon private car borne transportation when undertaking both kinds of shopping, and figures of between 75% and 80% are in evidence for both convenience and comparison shopping.

2.88 The survey data enables some analysis to be undertaken of the factors which consumers consider to represent both positive and negative aspects of particular town centres. While only limited weight can be placed on this analysis (due to the fact that each survey relates to completely different retail locations) the analysis gives a broad idea of the kind of issues which consumers consider important. It appears that the most important positive aspect of a town centre is that it is located within close proximity to where a consumer lives. This is demonstrated within Table 2.24 below:

Table 2.24 Positive/Negative Aspects



2.89 This suggests that, in order to ensure consumers perceive particular centres in a positive way, they should ideally be located within close proximity to where people live. This is clearly important in terms of spatial planning and is relevant to the issue of defining new centres in this current NPPG8 research.

2.90 Other issues which feature with varying frequencies within the surveys include the following:

- car parking provision;
- the range of larger shops;
- the range of fashion shops;
- the quality of shops;
- the proximity of a centre to the place of work;
- the level of service and attitude of shop keepers;
- public transport provision;
- a high quality environment;
- a good quality pedestrian environment;
- the price of goods.

2.91 In terms of those issues which consumers consider to form negative aspects of a particular town centre, the survey suggests that consumers tend to be less willing to identify any particular category, with the vast majority of consumers reporting that they dislike nothing about a particular centre. However, one issue which does feature as a negative aspect of town centres is the adequacy of car parking provision.

2.92 The analysis of shopping habits in this section is helpful in identifying in broad terms, key common features of food and non-food shopping in Scotland. Whilst the data is sourced from only five individual shopping surveys located principally within the central belt of Scotland, broad conclusions are as follows:

- the majority of consumers (approximately 55% of the population) undertakes their main food convenience shopping trip on a weekly basis.
- in terms of top-up convenience shopping it appears that:

  - over 50% of consumers undertake such trips between 2 and 6 times per week;
  - approximately 20% of consumers undertake such trips on a weekly basis;
  - approximately 20% undertake such trips on a daily basis.

- Consumers tend to link their comparison goods shopping trips to other activities (including other shopping) to a greater extent than when undertaking main-food shopping trips.
- The principal activity linked to main food convenience shopping trips appears to be undertaking other shopping, followed by visiting financial and professional services.
- For comparison shopping trips, whilst undertaking other types of shopping also features strongly, consumers tend to link a greater number of trips to visiting restaurants and café's and undertaking other leisure activities.
- Within the urban areas, consumers are more dependent upon private car-borne transport when undertaking main food convenience shopping trips than comparison shopping trips.
- Within the urban areas, the use of public transport is more common than the use of the private car when undertaking comparison shopping.
- Within rural areas, consumers appear to be more dependent upon private car-borne transport when undertaking both comparison and convenience shopping trips.

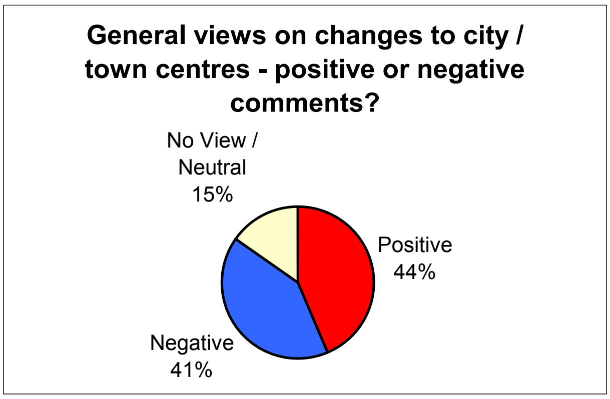
Public And Private Sector Questionnaires

2.93 An indication of general retail trends was gathered from the main questionnaires employed in the study. The Questionnaire was distributed to all Local Planning Authorities in Scotland and to over 200 private sector interests. Over thirty responses were returned from the public and a similar number of responses were returned from the private sector. The public & private sector questionnaire responses were analysed separately to identify interest group views on retail issues.

2.94 The public sector questionnaire responses on general retail trends in Scotland can be summarised as follows:-

- City/town centres, local planning authority responses were 44% positive and 41% negative. Comments were made about the increase in larger scale store formats in town centres and a concentration of development activity in prime retail areas. Whilst it was acknowledged that investment helps to secure the vitality of central areas, it was commented that this leads to increased vacancy rates and degradation of older, traditional shop units.

Table 2.25 General Views – City/Town Centres.



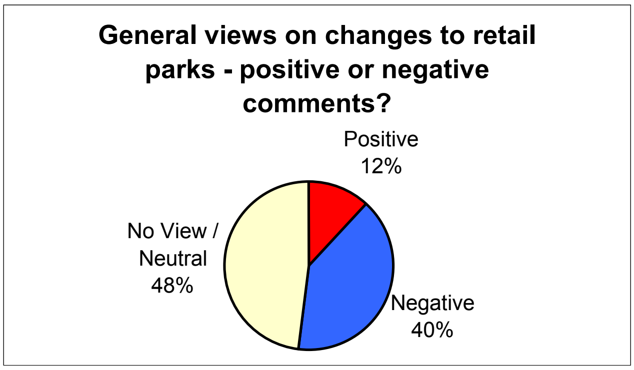
- For district/smaller centres, only 30% were positive, 37% were negative and a third were neutral. Public sector respondents commentated that retailing in district centres is consolidating into large, multi-purpose store units at the expense of traditional street patterns with butchers, bakers etc. Respondents considered that this reduces the quality of centres and that traditional shopping areas are being replaced by "non-active" office or residential land-uses. It was also commented that there is a polarization of investment toward the largest centres and that the gap between successful and declining retail centres is likely to increase through time.

- 41% were positive towards new developments and centres but nearly 60% were either negative or neutral. A number of respondents commented that new shopping development is important to regeneration projects. However, a number of respondents criticised the expansion of superstores in out-of-centre locations to carry non-food comparison goods which deflects spending from traditional centres.

- Comments towards changes in foodstore patterns in the last five years were 33% positive and 41% negative, the remainder neutral. Most respondents observed that food-stores are becoming larger, and carrying a greater range of often non-food goods. Whilst many respondents felt that these increase consumer choice and accessibility, others noted that it is difficult to fit large stores into the urban fabric which raises pressure for out-of-town sites.

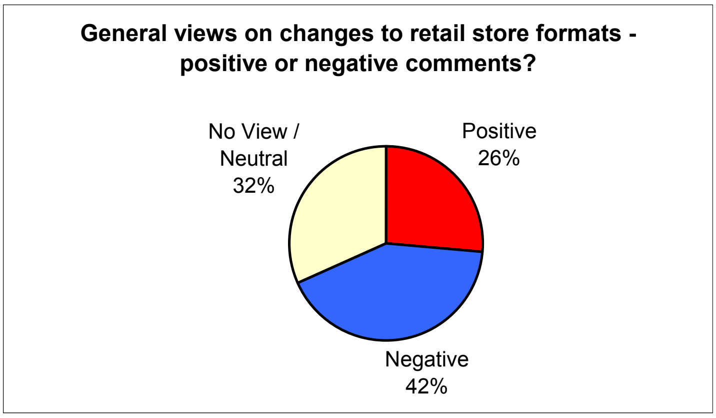
- On retail parks, comments were much less evenly balanced, only 12% were positive towards recent changes in retail park development, 40% were negative and 48% had no view or were neutral (table 2.26 below). It was observed that out-of-centre retail parks draw investment away from town centres. The development of mezzanine floorspace extensions to increase retail park floorspace was criticised.

Table 2.26 General Views – Retail Parks.



- General changes with large scale retail formats attracted a 25% positive response and a 44% negative response. Respondents generally agreed that there is high demand for the expansion and new build of large scale retail formats. There was no clear consensus among respondents as to the effect of these developments on town centres as it was argued that large, bulky goods stores do not directly compete with town centre retailing.
- In relation to leisure developments, a third were positive comments. This figure was matched by negative comments. A further third were neutral. It was commented that leisure developments are often floorspace intensive and that this causes problems for locating them in town centres. It was highlighted that leisure developments are important to the vitality of town centres and for encouraging linked trips. Several respondents commented that the market for traditional leisure developments (anchored by multiplex cinemas) has dropped off in recent years.
- In terms of general changes on retail store formats, only 26% drew positive comments. 42% were negative and 32% were neutral (table 2.27). Respondents commented that there has been an increase in the size of new out-of-centre development proposals and in the range of goods that are sold from these locations. It was commented that the demand for large, modern units is problematic as these cannot be accommodated into traditional town centre locations. Public sector respondents were positive about the emergence of new retail formats such as street markets which help to improve the vitality & viability of town centres.

Table 2.27 General Views – New Retail Formats



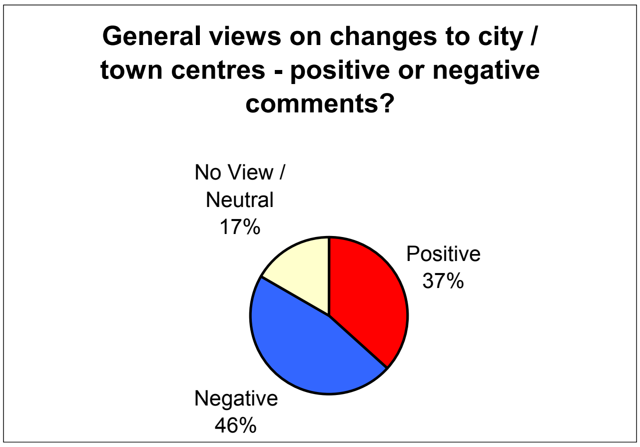
2.95 From the points above, the study team have drawn the conclusion that planning authorities in Scotland are generally negative, or not prepared to give their opinion on the general changes in different retail formats over the past five years. Thus whilst there is some encouragement in the

44% positive response to retail development in city/town centres, there seems to be little inclination to welcome other forms of retailing.

2.96 The private sector questionnaire responses on general retail trends in Scotland can be summarised as follows:-

- Over a third were positive about city and town centres, but 46% were negative (Table 2.28 below). Comments were made about adaptations in retail format and style and allowances made for larger shop units through the availability of premises in new developments. However, adverse comments were made in relation to poor town/ city centre environments. Operators of banks and building societies (Class 2: Financial/ Professional services) were keen to see the importance of Class 2 uses being recognised in shopping locations. Consultants drew attention to the constraints within a city centre to providing new retail development and expansion of existing businesses.

Table 2.28 General Views on City/Town Centres.



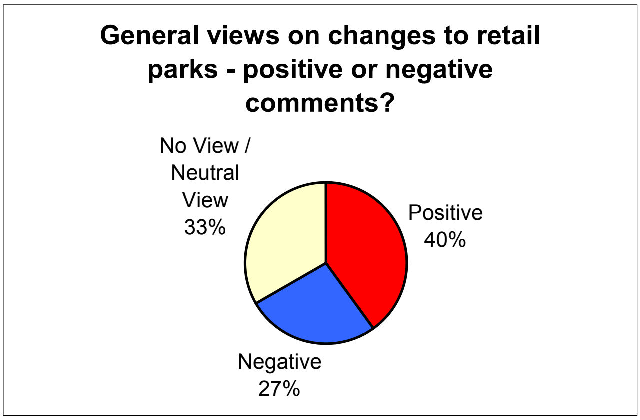
- On district/ smaller centres, there were more adverse comments with 70% being negative. This generally seemed to relate to the fact that smaller centres were perceived as less viable and suffering from the over dominance of larger central locations.

- Just over half were negative in responding to the kinds of changes seen in new developments and centres in the last 5 years. Some of the adverse comment was in relation to restrictions placed on the expansion of out of centre retail and the benefits which would otherwise flow from new forms of retail development. Consultants in particular noted that out-of-centre shopping schemes are increasing the range of goods they offer and should not be prevented from expansion if they are easily accessible by public transport and providing additional benefits to the shopping public.

- In relation to food stores, comments were more positive, with various references made to a variety of new food store formats being developed to fit into more locations in different centres. A number of comments related to the breadth of retail offer available at convenience stores and the fact that this is welcomed by the shopping public.

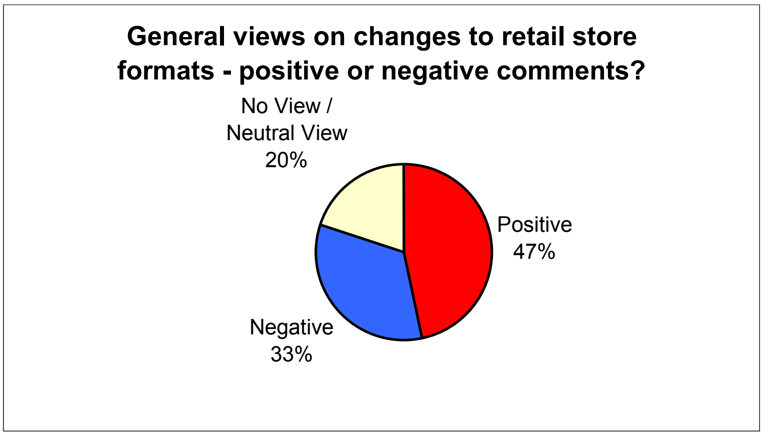
- The comments on retail parks were 40% positive and notably, 33% neutral (Table 2.29 below) Retail operators believed that retail park formats were helpful in assisting diversification and new investment providing a range and choice of services to consumers. Some consultants argued for a broader range and diversity of goods as did financial/ professional services operators. Investors were keen to see more large scale floor space formats to satisfy customer demands.

Table 2.29 – General Views Retail Parks.



- Larger scale retail formats were raised and this gathered one third of respondents with a positive view, but 46% were negative. Operators were concerned that there was delay in restrictions surrounding proposals for large retail formats which could be beneficial to customer requirements. Others highlighted some tension between the benefits of car accessible larger retail stores, and the negative effect of traffic congestion.
- Positive comments to leisure developments were recorded at 42%, with less than 30% being negative (the rest were neutral). There was some comment about the saturation of the leisure market and this resulting in closure of some of the units and redevelopment to other purposes. There was a variety of different views on the optimal location for leisure development and whether it should be combined with other land uses, or accommodated in central locations.
- New retail store formats were raised and this attracted positive comments from nearly half of the respondents with a view (Table 2.30 below). One of the key issues raised was the polarity of different retail format requirements. On the one hand, larger multi-function units emerging to satisfy consumer demand for convenience and on the other, diversification into small streamlined outlets which can fit into more challenging city centre locations.

Table 2.30 – General Views New retail Store Formats



- On other issues, private sector respondents noted the increase in internet retailing but did not feel that this would be a significant challenge to high street trading. Some retailers are making a successful business from home delivery of convenience/ bulky goods through internet ordering. Whilst this brings merchandise to 'the front door'; there is also the pattern of internet café's bringing the shopper back into the district or town centre to use internet café's etc. Finally, it was noted by some parties that rural communities suffer from a lack of choice and competition in retail services.

Feedback From Discussion Forums And Interviews

2.97 The various participants in the discussion forums and interviews generally started their commentary with observations on general retail trends in Scotland. Key issues to emerge from the discussions forums included the following:-

- Innovation in retail formats was in evidence, but questions arose as to whether this has been beneficial or simply a method of overcoming national guidance.
- There was a strong debate about the need for a national retail planning policy with the consensus of the view that the 'one size fits all' approach was unsuited to Scottish circumstances.
- The level of prescription in the NPPG was criticised by both public and private sector representatives, and greater flexibility should be available at the local level.
- There was a view that retail policy now, in fact, conflicted with general planning guidance, given the overly prescriptive nature of the guidance and the limited flexibility at local level.

2.98 The above comments were gathered at the Stirling Forum which involved a wide range of planning consultants, local planning authority officials, retailers and developers. The Perth Forum involved representatives of independent retailers and the comments on general trends and retail changes in Scotland included general agreement that the role of the bulk food shop is no longer dominant in town centres, and whilst there was still a role for independent food stores to be located in town centres, there was an important recognition by attendees that these shops were performing more of a specialist function focussing on quality. The multi-outlet supermarket operators, whilst choosing to create new town centre formats (Tesco Metro, Sainsburys Local, etc.) were continuing to be successful in trading from large out of centre locations and established shopping patterns were now based on car-borne trips.

2.99 The issue of retail "creep" from foodhall to electronics to clothing in supermarkets was raised, and recognised as a key objective of the multi-national supermarket operators in recent years. Planning authorities often have limited scope through original planning permissions to restrict this creep and the implications for existing centres are therefore often ignored or bypassed.

2.100 Other discussion groups involved the Faculty of Advocates and a separate session with planning solicitors. From these groups, there was a clear issue raised by the Advocates in relation to the purpose of planning in general. It was suggested that the maintenance of an innovative, competitive and efficient retail sector was an important key trend to uphold in Scotland and the general view from planning Advocates was that current policy is acting more as a control on this, rather than a facilitator. In connection with this, there was resistance to the requirement for developers of retail facilities to prove a retail need, the key issue being the impact of new retail on the role of established centres. Similar themes were raised by the planning law specialists from a selection of solicitors' firms in Scotland. This group felt that planning policy on retailing was potentially over-bureaucratic in such an important and dynamic sector of the business economy.

2.101 Finally, from these specific face to face interviews, the comments on general trends in Scotland can be grouped between the different public and private sector interviewees.

2.102 The local authority interviewees broadly support the NPPG in its ability to create a clear framework for regeneration of town centres. It has been reasonably successful in focusing certain forms of new retail development in existing centres. From a negative perspective, out of centre pressures clearly still exist, and these pressures have resulted in the approval of significant levels of new out of centre floor space, together with pressure to amend existing consents enabling a wider range of goods to be sold from both supermarkets and retail parks. There is evidence of increased decentralisation of facilities, arguably to subsidiary 'centres', bringing floor space closer to households. The success of major schemes such as Fort Kinnaird and Braehead demonstrate that the public supports this form of retail development, despite Government policy which seeks to direct it towards existing centres. The issue of sustainability in this is under realised.

2.103 Other key trends include increased format requirements for primarily non-food retailers, and the consequential problems in accommodating these formats within existing centres.

2.104 Planning consultants agree that the NPPG has been successful in encouraging developers and retailers to think about centres, and this has been a positive outcome. From a negative perspective, the NPPG as a whole is perceived as a 'no to retail' standpoint, requiring all retailing to justify its existence. The NPPG is unable to deal with the dynamics of the retail sector, instead focusing on mechanistic capacity assessments without recognising that retailers will always wish to innovate and change floor space formats. The tone of NPPG8 could therefore more positively invite retail change, subject to local tests of potential adverse effects.

2.105 Opportunity sites identified in Local Plans often remain undeveloped due to constraints which can only be overcome through intervention by the public sector. Ineffective sites should either be promoted and brought into effective use, or be removed to ensure that these do not unrealistically influence the sequential assessment. See Section 5 for more detail on the study team's findings on site development issues.

GENERAL CHANGES IN RETAILING – IMPLICATIONS FOR POLICY

2.106 Throughout the rest of this study, there are challenges for the research team in reconciling various opinions, sometimes divergent, in terms of the different issues in retailing in Scotland. From the overview of general retail changes, there are some more tangible and factual results emerging in terms of general changes in the supply chain, retailer activity, store formats, growth in retail, transportation and preferences of the general public. From the review in this section, we identify the key implications for future land use policy.

GC1 – The Strong Retail Sector Requires an Increased Profile

2.107 The findings in this chapter point very clearly towards a very strong retail sector in Scotland, sustaining 230,000 jobs, £19 billion of annual expenditure and over 22,500 retail outlets. The sector is subject to numerous different drivers for change including political, social-economic, geo-demographic and other aspects. The urban planning implications from this strong Scottish sector include a continual need to accommodate growth, constant development of retail and other commercial formats and evolving opinions in terms of ideal location for trading purposes, improvements in accessibility and important effects of competitive trading, not only between retailers, but between centres which offer a broad range of retail and other facilities.

2.108 The first line of the Policy Context in NPPG8 states that *"Shopping is an essential part of life for most people in Scotland, serving both their everyday needs and providing more specialist goods. It also has important links to tourism and leisure activities. Retailing is in turn an important economic activity in the service sector".*

2.109 This study has shown that there is continuing importance on the socio-economic benefits at both local and national levels in Scotland. In the context of national concerns about a falling population in Scotland, a drive to improve competitive places / quality of life and a new National Planning Framework, the Study Team believes that the importance of a strong retail and commercial sector and the promotion of a network of good quality urban centres deserves an increasing profile. This has to link with the national debate on issues such as; strategic initiatives on economic development zones, city-regions and focal points for central government investment.

GC2 – Dynamic Retail Sector Requires Constant Monitoring

2.110 A key implication from the dynamic retail sector is a need to constantly monitor retail change in Scotland through good quality data and other forms of measurement. This monitoring process should be actively engaged in policy formulation.

2.111 This section has presented important findings in relation to household spending patterns throughout Scotland, retail operator formats, developer activity, planning application processing and general shopping habits; to demonstrate that Scotland enjoys a rapidly changing retail sector with highly dynamic influences on retail formats, location and competition. In this context, the Scottish planning system can expect continual change. It should not seek to provide fixed retail systems which resist change. There is a need to identify a structure of urban centres which is versatile, dynamic and sufficiently flexible to allow new retail formats to evolve, to the benefit of the shopping public.

2.112 The dynamic retail sector is a key implication for the existing broad policy objective in NPPG8 "*to maintain an efficient, competitive and innovative retail sector offering consumer choice, consistent with the overall commitment to town centres*".

2.113 The study has found that development plans tend to follow the National policy lead. There is scant evidence of up to date sources being regularly monitored to assess continuing change in the retail sector. Although the Scottish Executive has produced an annual monitor of retail development patterns by planning application activity, and has also taken part in update seminars and discussions, the Study Team believe that there is scope for significant improvements in national data sources, to monitor the dynamics of the retail sector (see later in Section 7 on Retail Assessment Methodology And Data Sources).

GC3 – Cyclical Development Activity – Acknowledge Future Development Patterns.

2.114 From the various sources used to show the level of development proposals, planning application, consent granted and build out rates, it is clear that retail-led development activity in Scotland follows a cyclical pattern. A peak has been identified for 1998 to 2000, with high levels of out-of-centre and town centre retail floorspace. More recently, the town centre floorspace completions have held strong, but out-of-centre developments such as factory outlet schemes and decentralised shopping malls have abated. However, from past trends, it is a reasonable assumption that the property market will see another lift in activity, probably from 2005 onwards. The study team suspects that this will be a lower peak, with a more profound mix of town centre activity, along with the redevelopment of other existing floorspace in other established locations.

2.115 The implication of this for future policy is that there might well be a need to look at the traditional definition of "Town Centres and Retailing" in NPPG8 and any successor guidance. It is suggested that future patterns of retail development are more likely to focus upon established locations, which have sustainable characteristics in terms of land use and transportation and this will bring into play a range of retail centres and locations which will be part of the clamour for new floorspace, redevelopment and increased density. Future floorspace monitoring and resultant policy might have to re-define the categories of retail development, away from town centre "versus" out of centre, and to embrace the value of some of the centres emerging from the out of centre locations. Another implication from this could be to review the approach which lists different kinds of particular retail and leisure developments, under "assessing new developments" (para. 54 onwards in NPPG8). Perhaps future policy could take a broader view of likely future change, rather than fixing on a "present day" typology.

GC4 – Accessibility a Key Issue

2.116 The general review of retail change and household shopping patterns has revealed some critical facts in terms of increasing vehicle ownership in Scotland (62% of households having use of a car for shopping purposes). There is a greater use of cars in the rural areas (up to 80%) than in urban areas (57%). However, 68% of shopping trips incur a journey of less of 5 kilometres and 82% of trips are made at off peak times. The study has also made a general assessment of some available household shopping survey data and this shows more than half undertaking a weekly food shop, mostly by car. In addition, it shows that by far the most appreciated characteristic of the nearby centre, stated by shoppers, is its "closeness to home".

2.117 From these factors, we conclude that increased convenience and accessibility to retail facilities is of paramount importance in future land use policy for retail and other commercial developments. This does not necessarily tally with other transportation policy which is seeking to secure marked reductions in private car use. The evidence from this study suggests that shopping is largely an off peak activity and remains popular for car usage. However, in urban areas where public transport facilities are more abundant, it is notable how the use of the private car reduces.

2.118 The implication for policy is quite far reaching. It suggests a broader approach to future land use policies and proposals; to look at the pattern of centres in urban areas in Scotland and whether this is producing a convenient spread of locations which provide a choice for private car and public transport usage, with an essential emphasis on bringing retail and associated facilities closer to the population. This will necessitate some closer scrutiny of public transport improvements, especially nodal locations for interchange (and possibly land-value capture – an issue currently the subject of separate research for the Scottish Executive Development Department). This also implies a need to address a level playing-field for parking control as well as parking allowances, between central and decentralised locations.

GC5 – Multi-Locational Dimension – Managing Succession / Decline

2.119 Another key issue from the review of general changes is the prolific nature of the retail sector in Scotland. From the ample levels of proposed floorspace over the past five years, it is apparent that this has improved the overall spread of retail activity into various existing and new locations in Scottish cities, towns and urban areas.

2.120 This has an implication for paragraph 84 of NPPG8 where it is noted that deficiencies in retail provision should be assessed, along with measures to respond to demand over the Development Plan, by reference to location and type of retailing. Paragraph 91 of NPPG8 promotes the monitoring of Development Plan policy and retail developments and trends. This study suggests that these areas need to be assessed in more detail and promoted more strongly in future policy. A critical element of our review of general changes in retailing is the succession pattern of multiple locations providing retailing facilities. This evolutionary succession will inevitably suggest that there will be a survive/struggle pattern amongst different centres.

2.121 This pattern will prompt questions regarding the viability of sustaining of all the centres in an urban area. Indeed, it suggests that a planning viability sift will be necessary, in order to select the more successful, optimal locations for future retail and commercial development. This has implications for paragraph 32 of the existing NPPG8 where some centres are acknowledged to be under challenge and showing signs of decline. It is noted that planning authorities will have to manage the decline in the relative importance of certain centres. This aspect of managed decline raises questions of transport infrastructure, regeneration, alternative uses and masterplan/design exercises and further advice will be required in future.

GC6 – General Attitudes - Polarity

2.122 This section has presented general responses to the public and private questionnaire surveys. Respondents were asked what their general attitude was towards changes in the last five years according to city/towns, district centres, new development formats, etc. When the study team put these attitudinal responses together, it was found that 70% of responses from the public sector were negative or ambivalent (i.e. they were not inclined to be positive about retail change in the last five years). On closer scrutiny of the questionnaires, amongst various issues, this revealed a significant level of dissatisfaction with the level of change forced upon established policies in Development Plans, by format change and market share pursuit in the development industry.

2.123 On the other hand, the private sector was more positive overall. Less than 60% returned a negative or ambivalent response. When these responses were articulated in questionnaire returns, it appears that the private sector's negativity is led more towards the restrictions in standardised retail policy which are frustrating attempts to achieve new forms of retail development.

2.124 An overall negative general attitude is an interesting implication to analyse. The study team believes that the polarity of views between public and private sector is frequently encountered in the retail and town centres debate. The implication is to carefully weigh the divergent opinions found here and in other consultation exercises and perhaps to cut between the opposing views, with recommendations for a way forward which concentrates more on measures to promote "competitive place" for retailing; and to place fresh catalysts into the system to promote town centre opportunities and allow a more open approach to emerging strong centres elsewhere in urban areas. The study team has sought to move forward from any impasse due to opposing views, by focussing on the best conclusions to promote town centres and to improve the overall offer to the shopping public.

GC7 – Re-Energise Retail Planning – Town Centre Improvement Fund?

2.125 From the above findings on general attitudes, the study team believes that the quest to move forward from the potential danger of entrenched attitudes will be assisted by a national lead which seeks to re-energise the retail planning sector.

2.126 It certainly seems that general attitudes in the discussion groups and interviews are keen to encourage an invigorated retail sector in Scotland, which brings about a pride of place in our town centres. There is evidence to show concern that the system might be placing restriction on innovation, competition and efficiencies in the sector. There have been comments from practitioners who frequently deal with local authority policy, that they sometimes encounter a "no to retail" attitude, if they are out of centre and a lack of welcome for town centre/ edge of centre schemes.

2.127 What is of concern is that five years of retail policy has not brought about an energised and enthused sector, in terms of retail planning practitioners involved in the process. The implication is to suggest that a refreshed approach might re-energise the system. Business Improvement Districts might be a way forward, with new forms of annual financial assistance granted for winning submissions for town centre improvements. This would reflect the vigour that has been experienced from the annual round of scheme bidding for the Integrated Transport Fund; and it is an approach which could be closely allied with the City Growth Fund, emerging from the Scottish Executive's Cities Review. The Study Team believes that the same compulsion and increased flair could be ignited by way of a Town Centre Improvement Fund for Scottish towns which have monitored change, assessed viable sites and designed viable schemes which will serve to satisfy the aims of national retail policy and other strategic objectives.

GC8 – Shoppers' Views – a Rolling National Survey?

2.128 Although the client brief focussed this study on a collection of views across the retail and commercial property industry and amongst public authorities, the study team chose to draw from a number of other quantifiable sources, which have proved useful in measuring change in retail patterns. One area which the team accepts was cursorily covered due to the scope of the study, was the sampling of views from the shopping public, by way of reference to 5 relatively recent household shopping studies undertaken by CBRE. In the eventual analysis, this source proved to be a very strong lead on the habits and views of the shopping public and how this can inform critical aspects of modern shopping patterns in Scotland and the actual preferences of the shopper (as noted above- issues such as closeness to home being by far the most important aspect of the local centre and the modal split transport indicators).

2.129 The implication is that value could be drawn from a more telling urban / rural sample of households across Scotland, with a questionnaire structure to address various issues arising in NPPG8 and indeed from this study. The study team suggests that there could be great benefit from a rolling annual programme of national retail surveys, which could be collated centrally and neutrally, to help to inform policy. The cost of running this data collection could be recouped by making the survey available for interested parties to obtain.

2.130 In the same way that central government has placed importance in the past, on reliable sources of household expenditure estimates, an ongoing survey-base on Scottish household shopping (and leisure) preferences could be come an acknowledged source. Sections 6 and 7 later refer to similar sources (in particular the Scottish Household Survey).

GC9 – Broader Dimension?

2.131 Another key point from the general trends is the fact that new formats, new locations, new centres and a new overall succession of "commercial place" is emerging across urban areas in Scotland. This has the implication of a broader dimension for future policy. Perhaps future SPP guidance can dwell upon "urban centres" as the focus for our communities, with a new policy which is scoped to cover all aspects of strong centres in urban areas which display qualitative benefits, whether it be by way of a strong retail, leisure, office, transport hub, civic function or other functions. The broader reach of policy would be to refresh the definition of "centres" and to seek a wider agenda for high quality urban places, sustaining energy efficient, convenient, healthy and vibrant lifestyles.

3. DEFINING CENTRES, THEIR USE MIX AND STATUS

3.1 The original client Brief retraced the evolution of national planning guidance on retail development through different revisions of policy. It emphasised the 1998 version of NPPG8 currently in force, which brought a further clarification of the government's commitment to town centres. Linked to this emphasis in the current guidelines is a central objective of the research project which is to investigate the location of new developments, the attractiveness of town centres and the impact of new development on the vitality of town centres. However, in addition, the research specification sought to look at actions to improve town centres, to attract retailers and to provide a supply of new development opportunities. Allied to this central issue was the status of existing out-of-centre developments, in particular whether they should be regarded as "town centres". Although these do not have the traditional range of facilities and services found in a longer established town centre, there might be arguments to allow these centres to expand and diversify and to build up a critical mass to allow improved access by public transport and other benefits.

3.2 As a result of these key points in the Brief, the research methodology has been designed to undertake an investigation of locational issues in new retail development, the success of established town centres, the definition of a town centre or district centre, the role of out-of-centre retail facilities and evidence/opinions in relation to a possible fresh approach to all the centres in an urban area and their role and status in future national and Development Plan policy.

FINDINGS FROM DESK AND SURVEY RESEARCH

Literature Review

3.3 From the IRS research sources (a fuller summary is included in the previous section of this report) it is important to have regard to the drivers for change such as political structure, economic trends, socio-cultural and lifestyle aspirations. These drivers, along with demographic change, innovations in products and processes and environmental change amongst retailers led to some key questions on the future size and scope of retailing and a competitive structure amongst retailers to find optimal locations. IRS concludes that Scotland will have to continue to accommodate modernisation of retailing and an annual level of sales growth which will require new formats and new floorspace. The benefits of providing the new accommodation for sales growth will be matched by the possible costs of previous floorspace lying vacant and falling into disuse and eventual reuse.

3.4 IRS also points to the importance of format developments, as retailers continue to innovate in response to changing consumer demands. There is evidence of change towards a smaller number of unit outlets, but an increasing size requirement and standard layout for merchandise. In addition, IRS advise that locational developments and issues of accessibility will increase in importance alongside the competitive effects of retail developers seeking the optimal locations. Retailing is likely to remain competitive at many levels with the effect that some locations will become marginal prompting a requirement for the planning process to manage physical decline in a positive way. Although IRS point to changes in technology and innovations on e-retail, it is unlikely that these changes will cause a significant shift away from the quest for continued modernisation of floorspace. Therefore, the need to define appropriate centres for retailing and linked activities will continue to be a priority in Scotland, as innovation and change in retailing continues.

3.5 Our second area of literature research was the CBRE summary of retail planning issues in professional property, planning and other circles involving practitioners whose work links them to the physical planning process.

3.6 NPPG8 provides definitions of; town centres, edge-of-centre and out-of-centre sites. However developers are forming a variety of interpretations.[1]

3.7 The current version of NPPG8 was initially seen as a turning point in the Government's intentions for out-of-centre development and provided clarification of the Government's commitment to the importance of protecting town centres.

3.8 With the emergence of NPPG8 it was recognised in the professional press that there was a requirement for the planning authorities and the private sector to work together to promote town centres.[2] In order to achieve this, it has been suggested that existing centres will have to be enhanced and must use their strengths in the added value of heritage, culture and leisure.

3.9 A shift in bulky goods away from town centre locations could be seen as a opportunity to encourage people back to using public transport for comparison shopping in town centres[3]. A similar view is held by a property professional who argues that the way of enhancing town centres is through elevating the importance of a town centre by the modes of transport other than the car and promoting greater diversity through mixed use development.[4]

3.10 Unlike the English guidance note PPG6, NPPG8 places district centres along with town centres in definitions of locations for new development. The PPG6 approach however is to put smaller centres in second positions on par with edge-of-centre sites.[5] In addition it has been commented that PPG6 places significantly greater importance on assessing in-centre options which includes the re-use of existing buildings.

3.11 If a suitable site could not be found within the town centre then the other option is an edge-of-centre site. Edge-of-centre is usually "adjacent" in defining the relationship of an edge-of-centre site to its relative town centre. This is a concept which has been interpreted with much subjectivity. The subjectivity of this issue will be discussed in the next section.

3.12 If no edge-of-centre sites are suitable then the only option is to look at out-of-centre sites in locations that can be made accessible by a choice of transport modes. It has been argued by commentators that the shift in the 1980s to out-of-centre sites has created new retail centres which are increasingly achieving recognition in emerging Structure and Local Plans and therefore should be protected and given more status.[6] The NPPG8 guidance however clearly states that beyond the sequential approach a strong case has to be made for a site which is out-of-centre. Not only does the sequential approach have to be examined but one also has to look at the overall effect of minimising traffic problems and maximising all transport modes and accessibility while attracting shoppers to the urban area.

3.13 An academic describes out-of centre as "*Typically this has good road access, large amounts of free parking, major retail chains which act as anchor tenants, a large number of retail outlets housed in some form of enclosed mall and a range of non-retail activities, such as food outlets cinemas and childcare facilities*"[7].

3.14 A planning professional discusses how in some cases local planning authorities have taken a more proactive approach towards out-of-centre developments which have customer loyalty, and have 'blue-lined' out-of-centre sites in Development Plans showing that out-of–centre sites can have some status. This also emphasises that existing supermarkets with ancillary shops, facilities and public transport perhaps should be recognised by the local planning authority and be given a Development Plan allocation. In other words out-of-centre may not necessarily be unsuitable development but might in fact be sustainable and worth protection.[8] This is a common view

[1] Wood, C "Grey area of town planning", Estates Gazette 12 May 2000
[2] Scottish Planner, November 1998
[3] Scottish Planning and Environmental Law Conference, February 1997
[4] Ian Gotts, Director DTZ, "The retail planning environment", European Regional Review, 1999
[5] Neaves, P. and Stock, G. "PPG6 and the future of politics in planning" in Property Week, 19 February 1999
[6] Scottish Planning and Environmental Law Conference 1997, discussion paper "Retailing and Accessibility" February 1998, SPEL 65
[7] Hayton, K., "Retail planning guidance and policy in Scotland", TPR (72)1, 2001
[8] Slipper, R. "The sequential reproach" in SPEL 80.81, August 2000

expressed that local authorities need to accept that out-of-centre shopping can be complementary to the city centre[9].

3.15 It has also been argued by property professionals that the restrictions on out-of-centre developments leave a loophole which undermines the paramount importance of the role of town centres. It is argued that in practical terms it is the market that determines where retail should be located.[10]

3.16 On a broader scale a leading UK urban planning commentator promotes the understanding of expanding city-regions through the concept of the "polycentric city" – a system of interlinked focal points across the urban transport links, socio-economic, cultural and commercial facilities (Professor Sir Peter Hall, Institute of Community Studies).

Retail Profiles

3.17 The evidence from our data on retail profiles is presented in the previous section of this report. Certain items were relevant to the definition of centres. The national Scottish trends show that shopping makes up nearly 50% of average weekly household expenditure. Of this spend, a significant amount is on food and drink (essential convenience items). In the more leisure-based comparison sector, the significant categories are clothing/footwear and recreation/culture. This might have an implication that the location of centres around any urban area should reflect the strength of household expenditure firstly on convenience items and secondly, should provide for an adequate level of service to allow for less frequent shopping trips of a more leisure-based nature to seek items of recreation, culture and clothing. Taken along side data taken earlier that Scottish retail sales are approximately £19 billion per annum, these trends give a strong signal to central government guidance to continue with an emphasis on the importance of convenient locations in our built up areas, to provide for this important sector of the economy which makes up a significant level of household spend.

3.18 Our retail profile sources have also shown earlier that the national survey of local shopping patterns shows improvements in popularity, mainly amongst the higher ranking centres. The incidence of decline is more frequent amongst those centres which are more lowly ranked, in terms of retail offer and customer usage. This evidence gives us some indication of the "survive/struggle" succession amongst different forms of centres, as retail continues to evolve as an important sector in the economy.

3.19 The data on the pipeline of retail floorspace in Scotland highlighted the continued enthusiasm in the development industry for out-of-centre applications over the past five years. Although the previous section identified some evidence of the "planning filter" sifting out a reduced number of actual consents, from original applications, there was still a significant level of out-of-centre consents and retail completions over the periods analysed in the charts. Indeed, in the years 1999 to 2001, out-of-centre retail floorspace completions out-stripped town centre levels. Only in the last two years, has there been evidence to suggest the predominance of town centre locations.

3.20 However, combined with the floorspace patterns on convenience goods, we have concluded that these statistics show beyond doubt that Scotland's urban areas are now populated by a mix of different retail locations from town centres to out-of-centre shopping malls, retail parks, district centres, and superstore based developments. Indeed, some of the superstore evidence we have used for the study suggests that a number of foodstores which were processed through the planning system as "out-of-centre" are now considered by the Institute of Grocery Distribution to be "neighbourhood centres" by reason of their integration with other local facilities and surrounding population catchments.

3.21 From our knowledge of the base data used in the various statistics employed for this study, many of these locations that classified as "out-of-centre" have started to show changes over time to become locations which are well served by public transport, have a mix of food and non-food retail provision as well as other services and are starting to make their presence felt in the retail

[9] Cooper, B., "Shutting up shop" Scotsman, 29 March 2000
[10] Pearson, E. "Grace given on new space", The Herald, 27 January 2000

hierarchy as centres in their own right. Therefore, future analysis of retail profiles such as the floorspace pipeline and relative rankings of centres might well have to look at different definitions of "centres". It is no longer the case that "out-of-centre" always represents a standalone single retail unit with no associated uses or linkages to local neighbourhood or public transport. Therefore, looking at past patterns of national guidance on retail, a question should be raised as to whether this proliferation of more modern retail facilities in "decentralised" locations might, in fact, bring benefits by way of a subsidiarity of retail provision at the local level, through locations which can, in time mature to take the form of centres in their own right which do not undermine the prime town or city centre originally protected under earlier guidance. This notion of Scotland's urban areas being able to embrace a more "polycentric" model of development, rather than the single "monocentric" pattern is reflected in the background literature review and also in various discussion forums and interviews held as part of the study.

Retail Data And Assessment Techniques

3.22 One of the specific reports of desk research for the client group in this study was a thorough overview of previous studies into retail data and assessment techniques and a look at the current practice. From this review, we concluded that the definition of centres is becoming increasingly important for retail assessments. These assessments will lack relevance and focus, unless given clear guidance (ideally through an up to date Development Plan) on which retail locations are of considered to be of importance to land use planning interests in any particular local planning authority area. "Centres of importance" was raised as a critical issue in the 1991 Study of Retail Techniques by Drivas Jonas for the Scottish Office and it continues to be of vital input to a meaningful final analysis of capacity for retail growth and also in looking at levels of impact. For example, the severe impact level on a free standing superstore might be considered fair market competition; but a new free standing retail facility which is proposed to have a major impact on its competitors (which are located in central positions in an important town centre) requires a careful appraisal of impact. The final planning decision on new retail developments has increasingly been made in the context of the actual impact on centres of importance. However, as well as identifying the existing centre where there is a mix of retail and other uses worthy of protection; it is now also important to look at the kind of new development being proposed as part of any planning application. For example, it might be a development which is capable of embracing significant improvements to public transport, a mix of retail and other uses, connectivity to other social, economic and a community facilities and therefore might be eligible for some form of protected status in its own right in due course, if significant infrastructure investment is being made as part of the new retail-based proposals. This point is reflected again below from the other research sources.

Review Of Policies And Decisions

3.23 From the selected Development Plans and significant retail decisions analysed by the study team, there are some important findings in terms of the definition of centres.

3.24 There is broad agreement amongst both operators and practitioners that planning policies in Development Plans are rarely linked to Town Centre Strategies, as recommended at paragraph 33 of the NPPG. Equally, policies are rarely linked directly to up to date health checks, again as referred to in some detail at paragraph 27. As such, there is considerable acceptance on the part of local authorities that Development Plan policies are consistent with the broad thrust of NPPG8 in focussing development in town centre locations, and testing new out of centre development against the paragraph 45 criteria. Equally however, there is limited pro-active policy guidance in relation to the health of town centres and actual identifiable opportunities for meeting the policy objective to focus new development in the centre.

3.25 There is general agreement amongst all sectors and interests that a criteria-based approach to defining a centre is appropriate in principle, and that the main thrust of the criteria should focus on sustainable transport and meeting the needs of local communities. However Development Plan policies continue to identify only established centres both in terms of policies and allocations on proposals maps. There is clear evidence of acceptance on the part of local authorities that certain out of centre developments are beginning to display the characteristics of being a "centre" in their own right, but there remains considerable reluctance to seek to define these centres in

Development Plans in the absence of clear advice in national policy. Reference has been made to examples of existing or emerging centres which have been subject to scrutiny on according status: including Braehead, the Gyle Centre, Fort Kinnaird and Ravenscraig.

3.26 Planning applications in respect of these centres continue to require detailed information in respect of the paragraph 45 criteria and decisions tend to be based on other material considerations as opposed to their consistency with a Development Plan.

3.27 There is similar reluctance in respect of defining new centres as evidenced in appeal decisions, most notably the 2000 Gyle decision of the Scottish Ministers which departed from the advice of the Inquiry Reporter who concluded that the centre fell within the definition of "town centre" in NPPG8. The Ministers disagreed on the basis that the centre did not provide a broad range of services, serving as a focus for the community and for public transport, nor have a distinct physical form and mix of functions "*that make it different from a shopping centre*" (paragraph 8 of decision letter).

3.28 It is interesting to look at recent strategic policy for the two main urban areas in Scotland. Glasgow and Clyde Valley Structure Plan has taken an overall structural review of retail locations and has brought in to its strategic policies an acceptance of certain new retail locations of importance. Auchinlee and Ravenscraig have figured in this review, bringing them forward as locations which can provide for a sustainable mix of uses in a convenient location to surrounding catchments, with potential to show public transport benefits, mixed uses and other benefits to the general community. This complements the traditional approach of accepting Glasgow city centre as the dominant major focus and offer the more traditional satellite towns as sub regional centres such as Paisley, Hamilton, Dumbarton, East Kilbride, etc.

3.29 In Edinburgh and the Lothians the recent Structure Plan has tackled the definition of centres by way of two schedules. The first schedule details the more traditional centres such as Edinburgh city centre, Livingston, Dalkeith and other suburban and satellite centres. However, in addition the second schedule is introduced in order to acknowledge the existence of, and potential benefits of other significant retail locations which have developed within the urban area such as the Gyle, Cameron Toll & Hermiston Gate. This latter approach seems to give a strategic context for an implied challenge to all retail based locations, to try and work their way up a hierarchy to achieve recognition and protection. From our review of recent policy making and interviews with some of the key practitioners, it appears that this process is increasing in popularity, and its success will depend upon different definitions of the "credentials" for the centre to display, in order to assert its role in the urban hierarchy and achieve protection in future policy.

Transport Issues

3.30 The continued predominance of the car is one of the general trends noted in Section 2 of this report. However, there are some marked differences in the level of car usage in the larger urban areas, due to the choice of transport modes. Nevertheless, CBP recommends certain key issues for town centres including the importance of increasing the use of sustainable transport modes, improvement of access by public transport and the provision of an attractive and safe pedestrian environment and measures to manage the level of car usage. Ensuring 'accessible town centres' is a key factor identified in the review of transportation issues and this is reflected in the review of relevant NPPG17 and NPPG8 transport and planning objectives which seek to improve the competitiveness of town centres and overall accessibility.

3.31 A corollary of these transport themes is the need to define centres not only with a strong priority on public transport, but also on car parking. As Section 2 found, the continued use of private cars (or ease of having access to a car) for shopping, the incidence of off-peak travel and the shorter distances being covered; all suggest that future policy should look at a controlled element of car usage. This has implications for a balanced approach to car parking allowances and restrictions.

3.32 The study team's transport review has also highlighted the importance of the Scottish Executive's Key Sites Methodology Study (May 2001) as part of the Scottish Executive's transport research series. This work, by CBP defines Key Sites as those "sites that are highly accessible, or could be made highly accessible, by public transport networks and nodes, that could contain a higher density travel generating mix of uses".

General Shopping Public – Surveys

3.33 Our report of survey research included the various sample surveys from CBRE covering areas of Edinburgh, Glasgow, East and West Lothian and Perth and Kinross in order to give an urban and rural spread of shopping habits. These results are summarised in the previous section (see tables in Section 2). Of importance to the definition of centres is the evidence of linked trips when people are undertaking their main food or comparison shopping trips. Main food shopping trips are associated with visits to other shopping facilities, banks/building societies and (less frequently) restaurants/cafes, leisure activities and other services. There is a higher incidence of linked activities as part of the comparison shopping trip. Bank/building societies, restaurants/cafes and leisure/other services all featured as additional activities undertaken on the same trip.

3.34 Another key point from the general household shopping patterns is the highly significant response that the factor "most liked" about people's local shopping centre was the fact that it was close to home and convenient. Although this is a simple and obvious point, the study team believes that it has a significant implication for future retail policy, which will have to focus upon convenience and proximity as one of the most important factors in retail location, as far as the shopping public are concerned. At this point, it is probably worth noting the potential challenge of reconciling this point with the fact that the average response for method of travel to main food shopping destination is still more than 70% car in rural areas (more than 50% in urban areas). For comparison shopping, similar patterns emerge (although car reliance is lower in urban areas).

Public and Private Sector Questionnaires

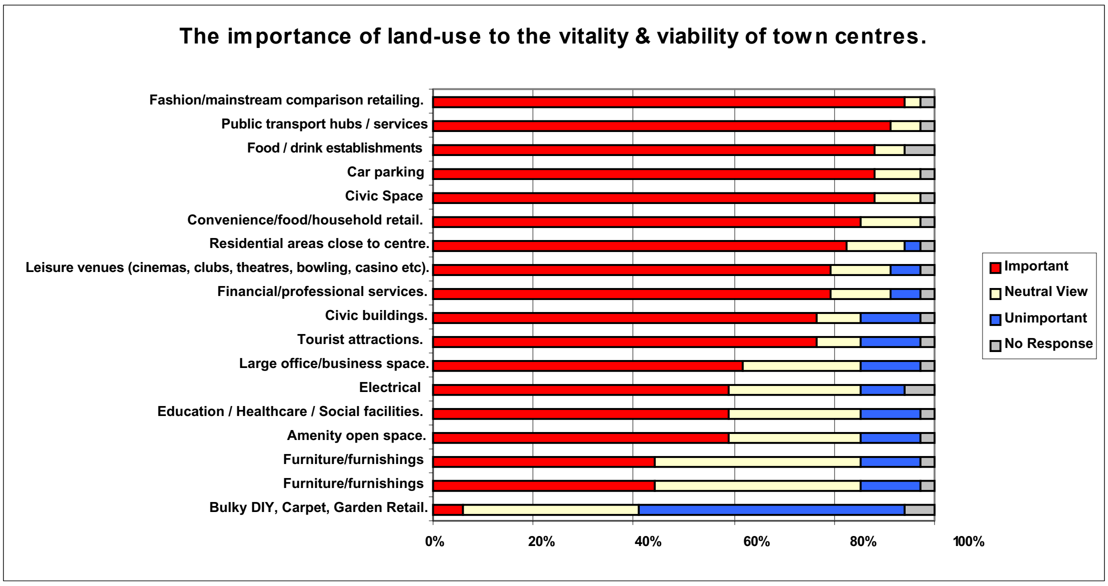
3.35 From the public sector questionnaire, respondents were asked about the uses and facilities in town centres which were considered important for maintaining vital and vibrant town centres..

3.36 The greatest strength of feeling towards important uses (where more than 75% rated the use as important) were as follows:

- Fashion mainstream comparison retailing.
- Public transport/ services
- Food/ drink establishments
- Car parking
- Civic space
- Convenience/ goods/ household retail
- Residential uses close to centres
- Leisure venues
- Financial/ professional services
- Civic buildings
- Tourist attractions

3.37 On the other hand, respondents were not so positive about the importance of use in the case of amenity open space, education/ health care/ social facilities, electrical retailing and furniture and furnishings. It was also a particularly marked response of "unimportant", towards bulky DIY, carpet and garden retail (less than 10% viewed these uses as important to town centres'.

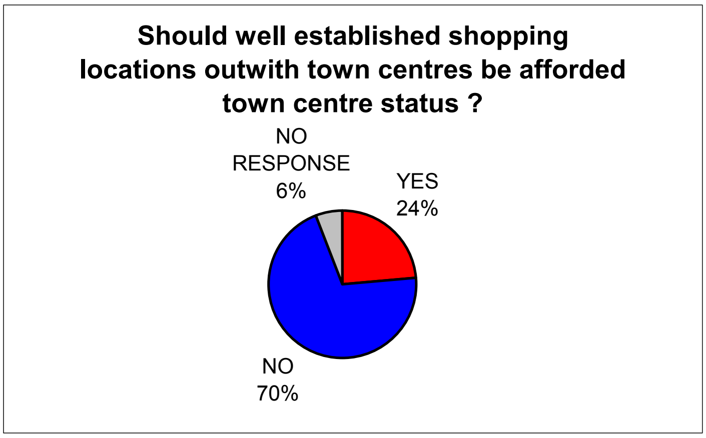
Table 3.1 – Important uses for Town Centres.



3.38 These results are giving a helpful indication for future national retail policy with a clear distinction of those uses which can contribute to town centre vitality and a view in the public sector that the more bulky goods retailing has less importance in town centre locations.

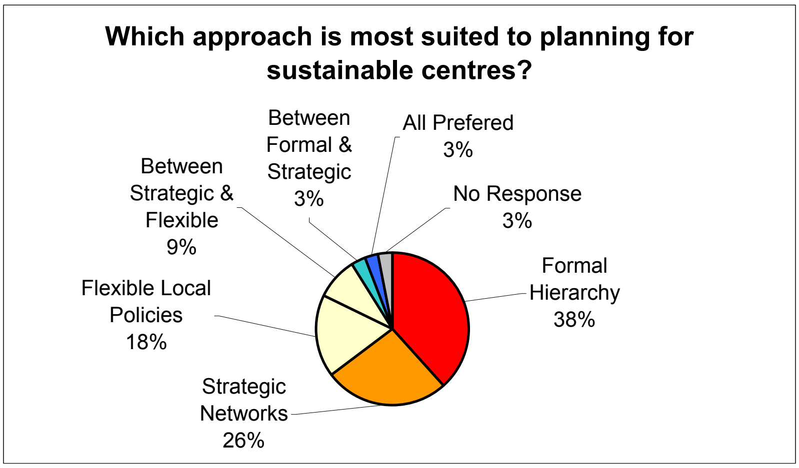
3.39 The definition of centres was also probed through Question 4 which asked whether well established shopping locations outwith town centres could be afforded town centre status. The public sector respondents showed 70% against this notion, but 24% in favour.

Table 3.2 The Status Of Locations Outwith Centres.



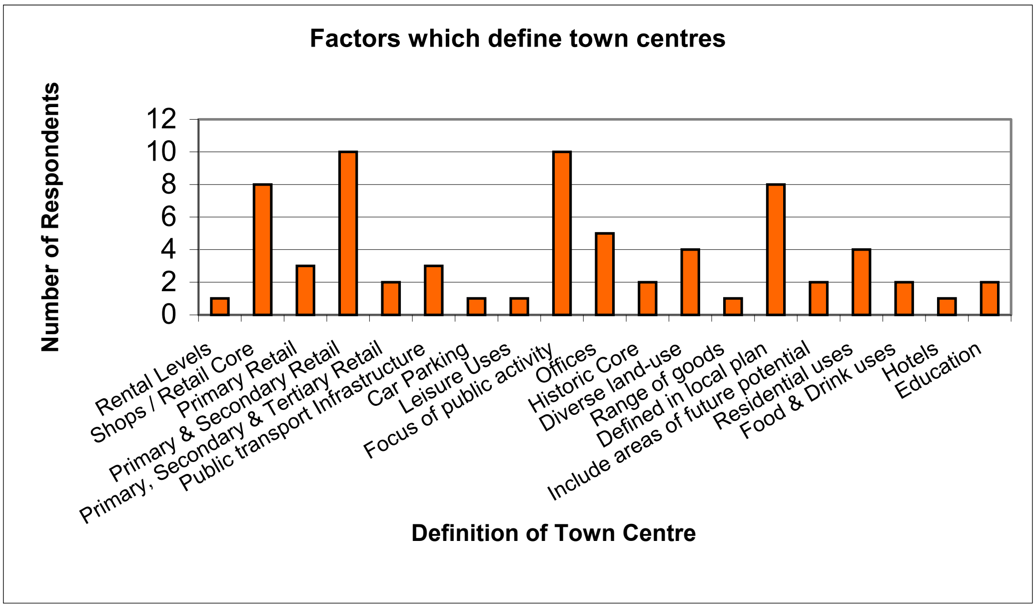
3.40 When respondents were asked for their views on whether a formal planning hierarchy should be used to plan for sustainable centres, or a strategic network, flexible local policies or other methods, just over one third were in favour of a formal hierarchy and approximately one quarter favoured strategic networks. However, it is perhaps worth noting that, amongst the public sector, 18% of respondents preferred some more flexibility on allocating sustainable centres through development planning.

Table 3.3 Hierarchy or Flexibility?



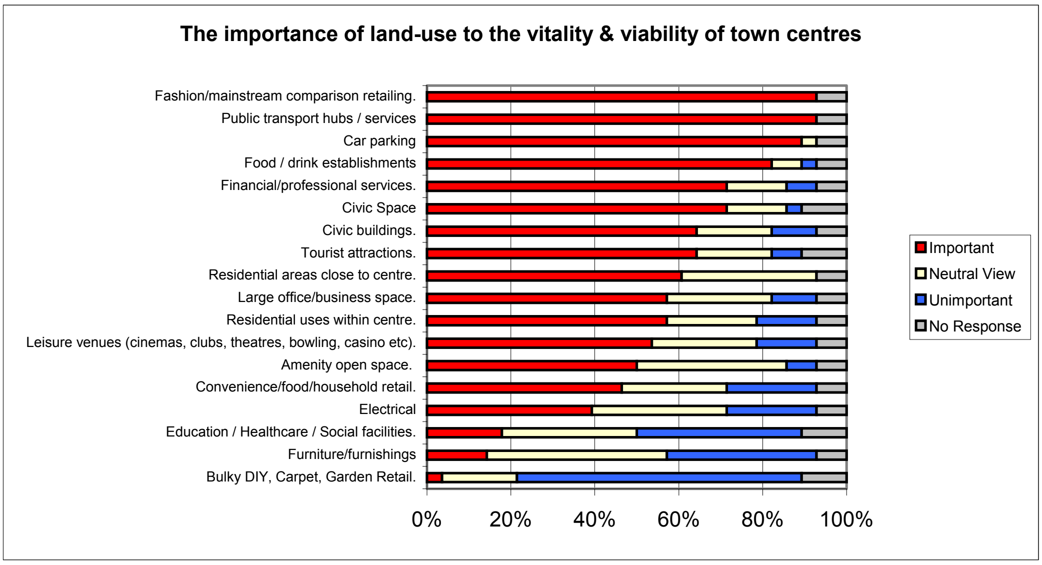
3.41 A supplementary issue to Question 7 were the views of public sector respondents to the factors which define a town centre and this shows the most common features for defining centres being *shops/retail core*, *primary/secondary retail*, *focus of public activity* and *an area defined in the Local Plan*. The first three are the more informative items and were also endorsed by private sector respondents. Other features showing a higher level of response included offices and areas where there is a diverse land use pattern.

Table 3.4 Factors Which Define Town Centres.



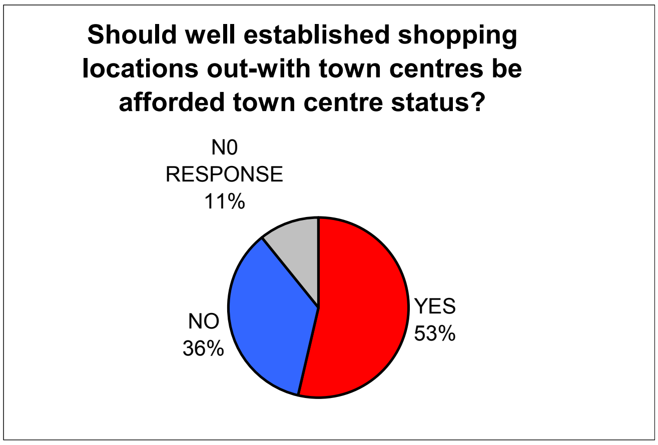
3.42 **Private sector respondents** were asked about appropriate uses to be accommodated in town centres in order to make them vital and vibrant places (Table 3.5 below). The most enthusiastic responses were in relation to car parking, public transport/ services, food/ drink establishments and fashion/ main stream comparison retailing. This is similar to the public sector response. There were also views that tourist attractions, civic space/ buildings and financial/ professional services are important uses in town centres. Question 3 brought a less enthusiastic response from the private sector in relation to the central location of convenience and household retail and education/ health care/ social facilities and a very low response in terms of the importance of bulky DIY, carpet and garden retail. In addition, there was a less enthusiastic response for electrical and furniture/ furnishings retailing in town/ city centres.

Table 3.5 - Important uses for Town Centres.



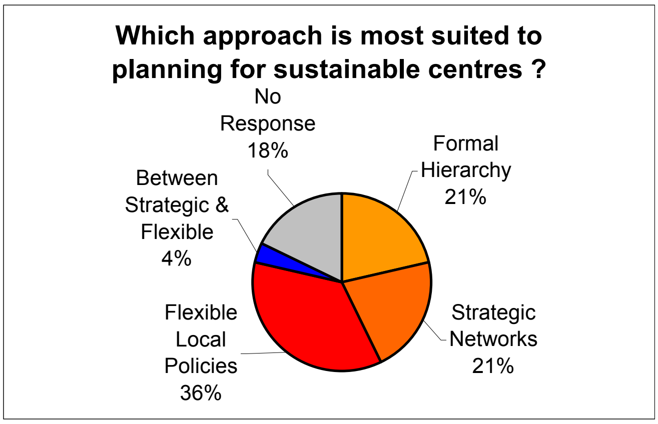
3.43 In terms of the status to be given to different centres, 53% of the private sector respondents felt that well established shopping locations outwith town centres should be afforded a status equal to 'town centres'. 36% were against this notion and 11% abstained (Table 3.6).

Table 3.6 The Status Of Locations Out With Centres.



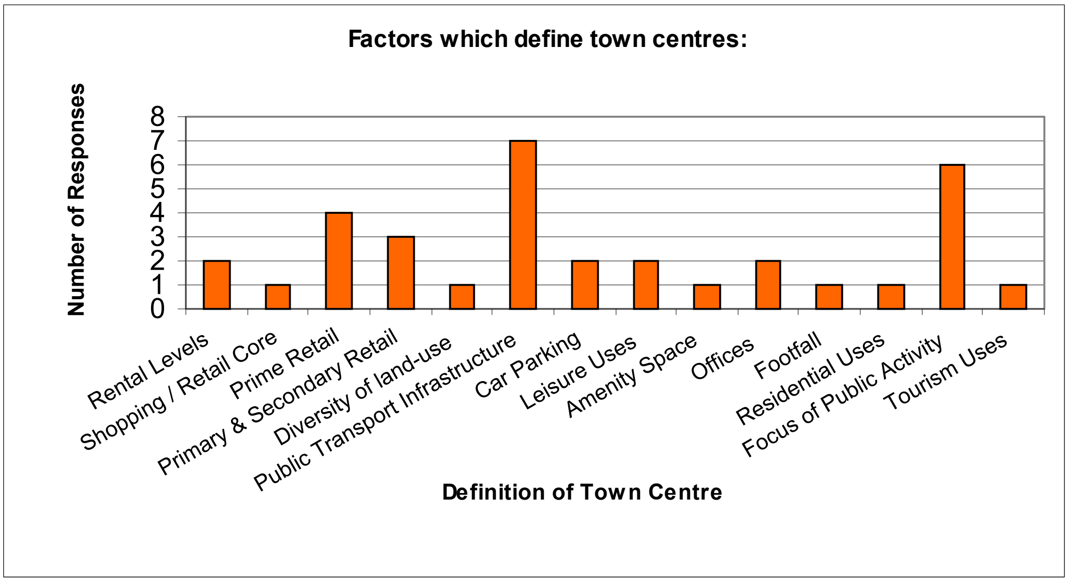
3.44 When asked which approach was most suited to planning for sustainable centres, 42% of respondents felt that some form of formal hierarchy or strategic network could be useful. However, 40% were more in favour of more flexibility.

Table 3.7 hierarchy or flexibility?



3.45 Similar to the public sector, private sector respondents noted a variety of activities which can be used to physically define the extent of a centre (Table 3.8 below). The predominant factors were public transport, focus of public activity and primary/secondary retail.

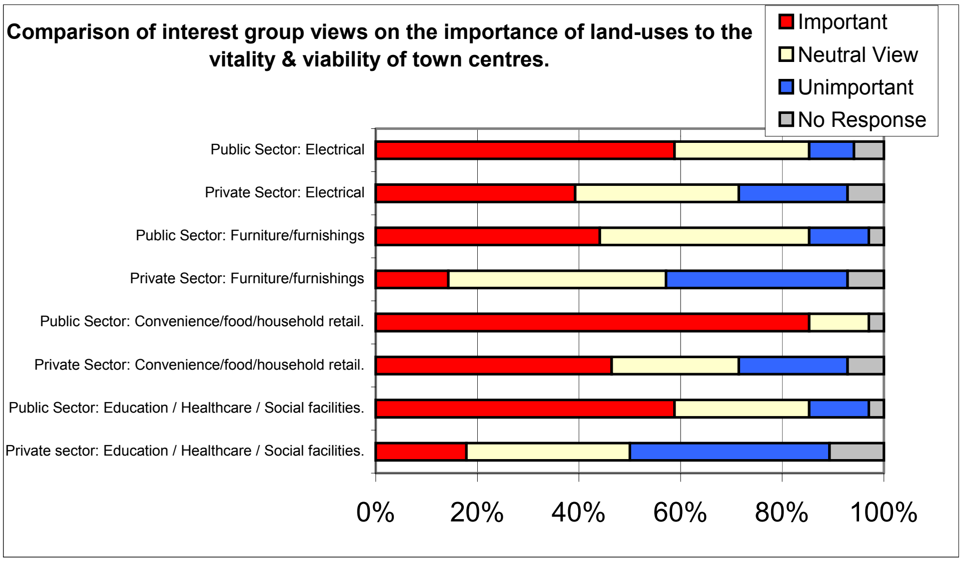
Table 3.8 Factors Which Define Town Centres



3.46 Overall, it seems that the private sector view is to be more adventurous in defining the planning status for different centres that have now established themselves in the hierarchy and to have flexible planning policies for the allocation of centres. In addition, there seems to be a clear view that the bulkier forms of trading are less appropriate for town centre floor space, but there is still a place for strong town centre transportation facilities, mainstream fashion/ comparison, civic space and, notably car parking.

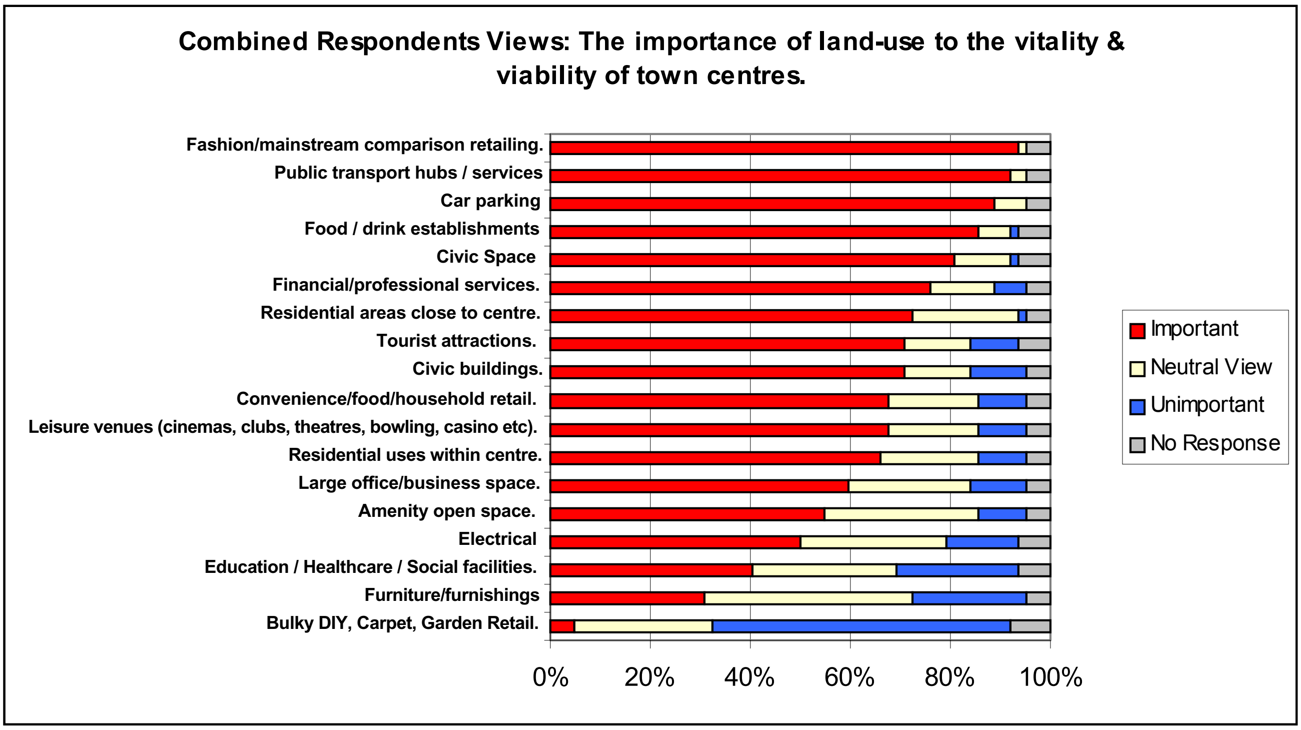
3.47 A further research exercise was to compare responses across the public and private sector questionnaires. One area where this data showed interesting results was on the different kinds of land uses considered important to the vitality and viability of town centres;

Table 3.9 The importance of uses – comparing public / private opinions



- For electrical goods, the private sector was just below 40% stating this to be an important category. The public sector had nearly 60%.
- For furniture/furnishings, the public sector was again higher at more than 40%, the private sector placing these goods at less than 20% important.
- The public sector was strong on convenience/food use (more than 80%). The private sector were just over 40%.
- Public sector uses were strongly supported by the public sector, (nearly 60%), less so in the private responses (less than 20%).

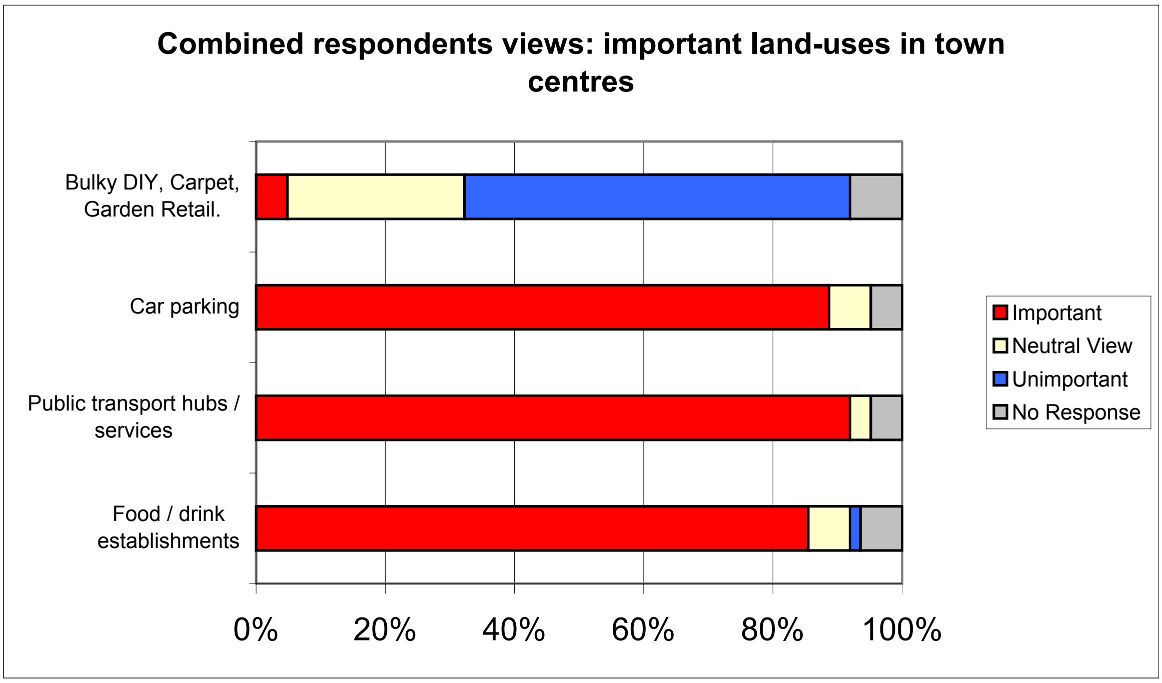
Table 3.10 Combined Respondents Views on important uses in centres.



3.48 Table 3.10 combines both interest group responses in order to give an overall impression of the kinds of uses which are valued in centres. This shows that Civic Space, Car parking, Public Transport, Food & Drink and Fashion/mainstream retailing uses are considered to be the most important uses in centres with over 80% of respondents answering that these uses are important. The table demonstrates the low level of importance attributed to bulky DIY, carpet and garden retail uses with more than 50% of the combined respondent groups answering that these uses are unimportant.

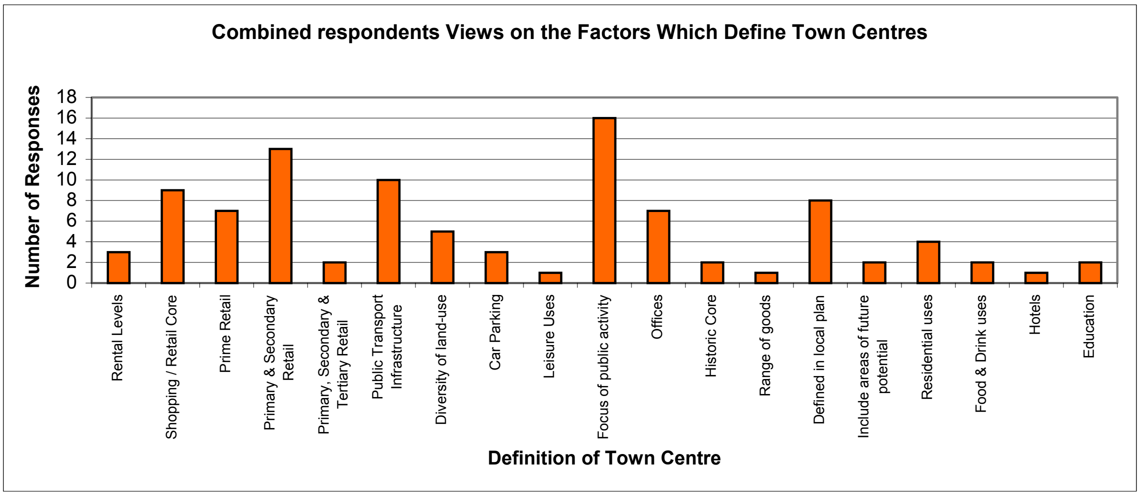
3.49 Focusing on key issues of agreement between interest groups, Table 3.11 below clearly shows a low level of importance placed on bulky DIY, carpet and garden retail uses when the two audience groups are put together. Indeed, there is more than 50% responding that these uses are unimportant. On the other hand, there is strong support (over 80%) for car parking, public transport/services and food/drink establishments. These combined responses help to give a sharper focus to future policy by indicating the kind of uses which would be appropriate to encourage in town centres, and helps shape policies to make some allowances for out-of-centre development.

Table 3.11 Combined Respondents Views on Selected Uses



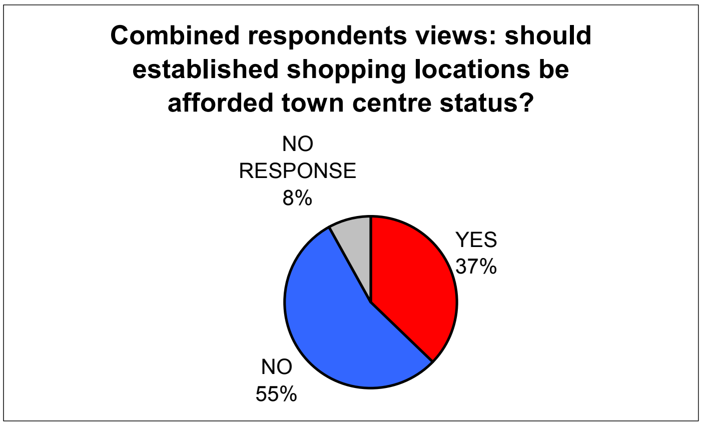
3.50 Table 3.12 below combines respondents views on the main factors which define town centres. This table confirms that Shopping/Retail Core, Primary & Secondary Retail, Public Transport Infrastructure, Focus of public activity, offices and definitions in local plans are important measures of town centre status.

Table 3.12 Factors Which Define Town Centres



3.51 In relation to the question on whether well established locations outwith town centres should be afforded town centre status, twice as many private sector respondents supported this idea than public sector respondents. Combining all respondents together, there was a 37% "yes" response to established locations out with town centres being afforded town centre status. However, more than half of all respondents still showed a negative reply.

Table 3.12 The Status of locations out with Centres.



3.52 In terms of whether to encourage formal hierarchy/strategic networks, the public sector was generally more supportive (Tables 3.3 & 3.7 above). Combining the respondent groups, just over half were in support of some form of hierarchy or strategic network. However, amongst the various responses which were more flexible, it is interesting to see 48% stating otherwise.

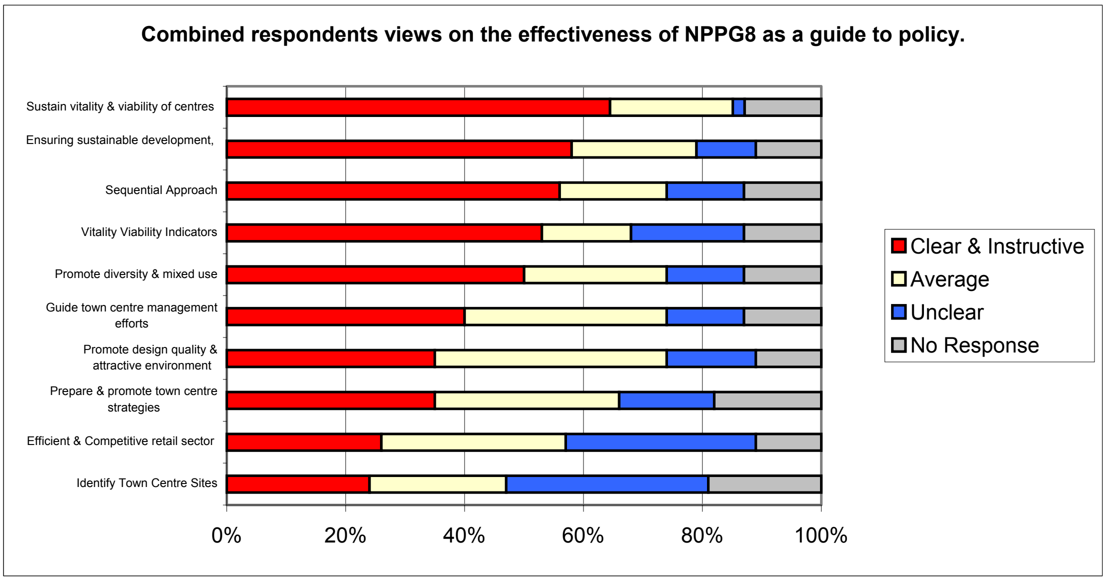
Defining Centres – General Performance Of NPPG8.

3.53 Before leaving the analysis of the public/ private sector surveys it is useful to draw some implications about the effectiveness of NPPG8 as a tool for policy and decision making and for defining centres.

3.54 The study found that there were varied views between private and public sector respondents on the effectiveness of NPPG8 as a guide to policy. However, the study team felt that the most telling results were the combined results which showed that respondents were most satisfied with NPPG8 as a guide to policy and decision making on promoting diversity & mixed use, vitality and viability indicators, the sequential approach, ensuring sustainable development and sustaining the vitality and viability of centres. The combined chart below shows that respondents were least satisfied with

NPPG8 guidance on preparing & promoting town centre strategies, identifying town centre sites, encouraging an efficient & competitive retail sector and promoting design quality. All of these factors suggest there is scope to look more closely, not only at the definition of centres, but at improvements to the fabric of centres, promoting new developments and encouraging improvements in the retail offer. Finally, a key issue for the definition of important centres and setting a framework for their future development is the need to prepare and promote town centre strategies (see Section 5).

Table 3.13 The Effectiveness of NPPG8 as a Guide to Policy.



TOWN CENTRE MANAGERS

3.55 The corollary of defining a centre is to manage that centre well, through careful monitoring of its vitality and viability and new development and promotional opportunities. In Scotland, these tasks are frequently the focus of town centre managers and the study team (through a specific IRS exercise) researched the feedback from the Association of Town Centre Management in Scotland. This included a focus group, a selective topic guide and also a supplementary questionnaire.

3.56 On the importance of uses and facilities to maintain a vital and vibrant town centre, Table 3.14 below indicates the sample response from the 21 TCM schemes in Scotland, collated from the supplementary questionnaires. It shows the different average score for different uses. It has to be noted that these represent only eight out of twenty-one schemes in Scotland. Respondents were asked how important particular uses/facilities were in maintaining a vital and vibrant town centre (Table 1).

Table 3.14: Importance of uses/facilities to maintain a vital and vibrant town centre.
*Respondents were asked to consider the statements and to indicate their views according to a scale ranging from very important (5) to not important (1).

Uses / Facilities	Average Score*
Fashion/mainstream comparison retailing	4.8
Convenience/food/household retail	4.4
Furniture/furnishings	3.2
Electrical	3.7
Bulky DIY/Carpets/Garden Retail	2.1
Financial/professional services	4.4
Leisure Venues	4.6
Food/drink establishments	5.0
Public transport/hubs	5.0

Uses / Facilities	Average Score*
Car Parking	4.9
Large office/business space	3.8
Civic buildings	4.8
Education/healthcare/social facilities	4.0
Residential uses within centre	4.5
Residential areas close to centre	4.5
Civic space	4.8
Amenity/open space	4.4
Tourist Attractions	4.5

3.57 Higher levels of importance were recorded for public transport, food/drink establishments, fashion/main stream retailing and civic buildings. Less importance was placed on the likes of large office space, furniture/electrical retailers and bulk DIY/carpet and garden retail operators.

3.58 On the status of centres, the feedback from the TCM group centred on what central functions key centres need to encompass. Town centre managers considered that well established out of centre facilities could only be considered worthy of town centre status if they performed the essential community roles that traditional centres provide. It was questioned whether out-of-town centres or supermarkets currently perform such a function. In addition, town centres perform intangible roles that are difficult to quantify in planning policy terminology. On an intangible level, one critical function was to provide a sense of belonging and identity. It was questioned whether decentralised, more modern centres could engender similar sentiments, at least in the short term horizon.

FEEDBACK FROM THE DISCUSSION GROUPS AND INTERVIEWS

3.59 From the Stirling discussion group, the main points of feedback were as follows:-

- There should be some recognition of different forms of retailing, different locations and changing consumer patterns in identifying or defining new centres;
- Slavish adherence to lines on a map or boundaries does not reflect the reality of whether people are actively using an existing centre or could be encouraged to use it for a wider mix and range of uses;
- Mixed use development is important in the designation of new centres, although recognition of the key role of retailing in underpinning the health of any centre is of greater importance;
- There was a view that larger centres had over-presumed their importance and smaller existing off-centre locations which satisfy the necessary criteria could realistically secure a 'centre' designation;
- The key underpinning criterion should be the quality of public transport links;
- The debate should focus not only on new centres in addition to existing centres, but new centres as a replacement for under-performing existing centres;
- Further guidance from the Executive on the list of credentials would be appropriate in advising local authorities on how to designate new centres.

3.60 From the Perth Forum, there was limited discussion on this issue although the general consensus was that new centres must contain a full mix of retailers, and not simply be focussed on the multi-national sectors, given the important role, from a qualitative perspective, of independent traders in both the food and non-food sectors.

3.61 From the discussion groups with Advocates and planning solicitors, there was a debate in relation to what is meant by a "centre". Much Public Inquiry time was now involved in addressing the role and function of existing centres and the degree to which planning authorities can decide in which category a particular centre belongs. A revised SPP8 should provide guidance on what a centre is and Development Plans should be prepared at the local level to determine the category of centre according to individual circumstances.

3.62 It was recognised that the guidance does not include any clear criteria on how to define a centre, although there was a suggestion that if the guidance did include such criteria, then flexibility for Local Plans to define individual centres based on local circumstances would be appropriate.

3.63 Similar issues merged from the solicitor's discussion group with the criticism that over rigorous definitions for town centres could give unfair protection to existing commercial interests and this could stifle competition and prevent new innovative forms of retailing. A more flexible approach to defining town centres was considered necessary, particularly based upon an assessment of future opportunities for new development.

3.64 Concerns were raised at **individual interviews** about key aspects of NPPG8.

3.65 Some concerns were raised by local authorities in relation to how NPPG8 makes no distinction between town centres and other centres (e.g. district centres). This has implications for identifying district centres in local plans, and the potential future impact these might have on the town/ city centre. It was argued that this policy supports the expansion of district centres in principle and may potentially harm the future of higher-order centre. In relation to the under-performing centres it was suggested by a number of local authority planners that the centres should not automatically receive protection if a more appropriate and more sustainable alternative centre exists. This is a view supported by private sector interviewees.

3.66 There was broad agreement amongst both public and private sector interviewees that a criteria-based approach to defining new centres is appropriate and most important criteria include accessibility and proximity to catchment population. Regeneration is an important underlying function in relation to the identification of new centres in certain circumstances.

3.67 The private sector points to a longer-term visionary approach in identifying new centres, and policy guidance should seek to secure the maximum accessibility to the widest retail choice for all levels of society. Current policy, instead of facilitating this, often works against it.

Site Development Issues

3.68 The study team's specific research on the issue of site development issues concentrated mainly on achieving more planning results within identified centres, by way of land assembly, compulsory purchase, etc. This is reported in Section 5 of this report. However, as part of this analysis, it became clear that a sharper definition of appropriate centres through Development Plan policy would assist in providing future guidance for site development issues. For instance, investing considerable time and financial resources in land assembly in one particular centre will only be worthwhile if it is known that that centre will achieve some protection and status in the future. Another instance is the different levels of complexity and investment required to tackle land assembly/property title, heritage and other complications in the more traditional and historic centres as opposed to the relatively simple land assembly challenge in decentralised locations, where land ownership is less complex and sites are readily available. This might suggest that the "league table" for the definitions of centres (as noted earlier in the example of Edinburgh and Lothian Structure Plan) could be linked to some kind of assistance/general contribution regime. In other words, where the site assembly challenge is more difficult in the more historic centres, assistance might be available. Where the challenges are less significant in the more modern locations, it might be more likely that planning policy will seek general contributions towards improvements to transport, land use mix, etc.

DEFINING CENTRES – IMPLICATIONS FOR POLICY

3.69 From the various findings above, the study team draws the various implications below. For later reference, these are coded as "D.C." implications, in relation to the issues identified for defining centres.

DC1: Centres Must Have Credentials

3.70 Throughout all the direct consultative exercises in this study, it is clear from the views of retailers, developers, local authority officials and other practitioners that, to be defined as a centre, there must be certain proven credentials. This is most clearly shown by the various tables in this section, which highlight respondents' views in terms of important land uses to assist the vitality and viability of town centres. As well as specific tabular feedback from the questionnaire results, and the town centre managers' survey, this was a frequent theme raised in the discussion and interview sessions. The implications for policy point to certain primary uses:

- Fashion/mainstream comparison retailing;
- Public transport hubs / services;
- Car parking;
- Civic space/buildings;
- Tourist attractions;
- Food/drink establishments;
- Financial/professional services;
- Leisure venues.

3.71 The implication is also that certain other uses appear to be less important to future planning policy on town centres such as bulky DIY, carpet and garden retailing. Also, there were lower responses in relation to electrical goods, furnisher/furnishings, large office/business space and education/healthcare, etc., facilities. There were differing opinions on convenience stores, with the public sector being more keen to include elements of food-based retailing in uses which are important to vitality and viability.

3.72 The above emergent categories are reflected in the study's investigation into sample policies, appeal decisions and from interviews. From the most recent city-region structure plans in particular there is evidence of a fresh approach to all centres / locations in the urban area, entailing some form of checklist to prove fitness for protection. It seems that this study has uncovered the first stages of a new approach which should in future look at the credentials presented by different retail centres/locations, for them to assert a sustainable status in the hierarchy (see DC3 below).

DC2: Multi-Locational Dimension

3.73 As noted in the previous section, there is also evidence of a gathering view that retail and other commercial activities are now clustering at various locations around urban areas. Five years ago NPPG8 policy was set out to protect the primacy of the "town centre" with some evidence that each urban area has consequently focussed on one main centre. However, there appears to be increasing evidence that local authorities, developers, operators and others now recognise the multiple locations which are providing commercial and other activities. These may be highly sustainable locations. The study has found evidence of some policies operating with a tunnel vision to the single most important centre in an area, and with a "policy blindside" to other locations which are worthy of assessment in the planning process (see below).

DC3: According Status/Importance

3.74 As noted in the previous two implications for policy, it appears that increasing status will be sought by locations which have been initially delivered as decentralised shopping locations. This implies that status might be accorded to other established locations, hitherto defined as out-of-centre.

3.75 However, the caution on this implication, is clearly to note that emergent centres in a new hierarchy will have to be subject to some form of filtering process, which is highly likely to be related to the list of credentials presented above. The existence of a strong multi-mode transport node is likely to lead the list.

3.76 An implication from this is the probability of various interests (long-term investment feuholders, tenant operators, trade associations and others) pursuing increased participation in the development plan process of defining centres. On the other hand, planning authorities will be required to justify policy choices, giving reasons for their selection of various qualifying credentials. Whilst this will be influenced by local circumstances, it should be guided by national policy on the key elements of a sustainable centre. It will also be interesting to see if the development control process uncovers an increased requirement from authorities, and indeed readiness on the part of the applicant; to gain additional facilities, in order to climb up the qualifying league.

DC4: Taking Stock - An Audit Of Centres/Locations

3.77 The three previous implications for policy point to a further important area. The study team believes that future development plan action will have to bring forward the importance of an exercise that audits all the centres in a given urban area. In the five years since the introduction of NPPG8 there has been the evolution of many new forms of retail, expansion to existing centres and the evolution of other recognised locations. However, it is only from recent Development Plans that evidence emerges of a review of centres of importance.

3.78 The effect of key credentials, multi-locational patterns and a quest for status will be a requirement to bring a sharper focus into "Action Required" in national policy. Paragraph 84 of NPPG8 alludes to exercises based upon deficiencies, demand and a framework of centres; but this will require sharper focus. The study team suggests that a requirement of planning authorities should be to prepare an audit of all centres and locations, which provide retail and associated activities in order to inform development plan strategy and this should seek to define relative status. Frequent updating with reference to good data and Town Centre Strategies will be vital.

DC5 – Accessibility: "Key Sites" and the Urban / Rural Distinction

3.79 This section has alighted upon frequent evidence that the "polycentric" pattern for urban areas is also a pattern which presents improvements to accessibility and potentially sustainability.

3.80 Accessibility has already been noted in implications from general changes, in Section 1. It is also an important issue to emerge in other topic headings in the report.

3.81 Some of the most important input on the transport side of the study has highlighted accessibility and the previous Scottish Executive study (2001) into a methodology to identify "Key Sites" in Scottish urban areas. Indeed, the concept of Key Sites has now emerged in SPP2 for economic development and employment land.

3.82 Therefore, the study team believes that a key implication for future planning and transport policy will be to identify urban centres which produce optimal accessibility, focussed upon a selection of Key Sites, defined in the Scottish Executive Research Study as "Sites that are highly accessible, or could be made highly accessible, by public transport networks and nodes, that could contain a higher density travel-generating mix of uses". The team believes this will highlight an issue of complementary public transport investment and indeed car parking policy.

3.83 Another key aspect in terms of the definition of centres from transport evidence is that there are distinct differences between urban and rural areas. The previous section highlighted some of these differences and this issue has been raised frequently in the discussion groups, interviews and questionnaire responses. There is a significant level of opinion in Scotland, that NPPG8 should in future allow for discretion at the local level, particularly where more remote rural areas have greater reliance on the private car, in order to access good quality retail provision.

DC6 Absence Of Town Centre Strategy/Vitality And Viability Studies

3.84 A key finding in this section is the dearth of activity in updated preparation of Town Centre Strategies and Vitality and Viability Health Checks as required in NPPG8.

3.85 The implication for policy is that, whilst paragraph 27 of NPPG8 sets out quite clearly the measures for vitality and viability, there is a low level of activity in actually employing these measures and updating data. Some planning authorities have made good efforts, along with town centre managers in this regard. However, many refer to the lack of resources as a reason why insufficient data is being collated.

3.86 The study team believe that an item of greater importance is the repeated reference to Town Centre Strategies. Paragraph 33 of NPPG8 makes it clear that "*Failure to improve town centres will make them more vulnerable to the competitive challenges presented by new forms of retailing and other nearby town centres or out-of-centre locations.*" This is an important point. NPPG8 continues to require that planning authorities should adopt a pro-active role towards town centre change and improvement, working in partnership with retailers, other development interests, private investors, public agencies, infrastructure providers and the community. It is stated that an overall strategy should be agreed which indicates the scope of change, renewal and diversification. Frequent reference has been made throughout the study to the lack of activity in this regard. Set against the more strident tone used in NPPG8 for the requirement to adopt a town centre strategy, it is surprising that only low levels of activity have been recorded. This lack of activity cannot be tenable. If authorities wish to strengthen the focus on investment in sustainable centres, they will have to commit a constant flow of resource to town centre improvement and proving viable development options. This will have to be complemented by a monitoring database on vitality and viability measures (as noted in Figure 1 of NPPG8).

3.87 Elsewhere in this report, site development issues are addressed under Section 5, Support for New Development.

DC7 NPPG8 – Specific Weaknesses

3.88 Another implication for policy which the study has related to the definition of centres is the combined views from public and private sector on the effectiveness of NPPG8 as a guide to policy.

3.89 In terms of town centre definition, the study team identified concern as a result of less than 40% finding NPPG8 clear and instructive on the following aspects:

- As a guide to town centre management efforts;
- Prepare and promote town centre strategies;
- Identify town centre sites;
- Promote an efficient and competitive retail sector;
- Promote design quality and an attractive environment;

3.90 All these aspects are key ingredients to the good management, promotion and future development of town centres and entail land use, physical and design exercises to improve town centres.

3.91 In terms of NPPG8, the implication is that future guidance will have to be more explicit on the actions required, to help promote TCM activities, TCS preparation, identifying sites and improving design standards (the recent PAN 68 might assist the latter point). As drafted it tends to specify all the elements which should be protected in a town, rather than items of pro-active initiative, that can help to progress a town centre. It is debateable whether such issues should be in any revised NPPG8. Perhaps they are better placed in detailed best practice guidance in a revised PAN, which addresses TCS methodology and site development issues.

DC8 Lack Of Clarity: Edge Of Centre

3.92 The final key implication arising from the assessment in this section is frequent comment amongst professional commentators, discussion groups and the interviewee responses that the policy is unclear on the definition of "edge-of-centre".

3.93 Numerous comments referred to the lack of a clear and objective test of the availability of edge-of-centre sites, suitability in terms of physical aspects and also viability.

3.94 This issue links directly to the next chapter, which addresses the sequential approach.

4. SEQUENTIAL APPROACH – FLEXIBILITY/REALISM AND DEFINING EDGE OF CENTRE

4.1 The original client Brief was clear in its emphasis on the need for research in NPPG8 to look at whether planning authorities and developers have demonstrated flexibility and realism in applying the sequential approach. The Brief questioned whether it was realistic to expect developers/retailers to change their normal formats and how new retail formats could be reconciled with a sequential policy approach. Linked to this was the question of whether the guidance should continue to apply to non-retail uses. In addition, there could be evidence of emerging of forms of leisure/shopping which include a leisure activity which is as important as the retail function.

4.2 Another issue in the Brief which is directly linked to the sequential approach is the clarity on defining sites which lie at the "edge-of-centre". The strength of the links between a proposed retail site and an existing town centre will depend upon various factors and the Brief to the consultant team was keen to look into these factors, including barriers to linkages, easy walking distance and the importance of different decisions based upon different local circumstances.

4.3 Because of the emphasis on the sequential approach issue, the study team set this topic at the centre of the research effort and useful results were gathered from most of the eleven tasks included in the desk and survey research.

FINDINGS FROM DESK AND SURVEY RESEARCH

4.4 From the literature review, retail profiles and other sources, there were varying levels of reference to the sequential approach, flexibility and realism and ideas in relation to improving this area of NPPG8 policy. The key findings are set out below:

Literature Review

4.5 Most of the IRS general trends research is summarised in Section 2 and 3 of this report. The general nature of this research did not reveal any specific reference to the sequential approach or edge-of-centre issues. However, the points raised in the previous section on the definition of centres and the importance of competitive place, in terms of retailing, suggest that the future strengthening of the more successful centres will continue to place the sequential approach at the heart of land use decisions related to new retail formats in the future.

4.6 The CBRE literature search was undertaken in addition to the IRS bibliography and this revealed some further references from the professional press in relation to the sequential approach.

4.7 Paragraph 13 of NPPG8 calls for flexibility and realism from developers, retailers and local planning authorities when applying the sequential approach. A planning academic/ commentator argues that this could be successful if local authorities, developers and retailers communicate better, be more understanding, and undertake analysis and viability testing. It is argued that "*there had been a temptation for local planning authorities to make sweeping statements about the possibility of available sites*".

4.8 The same commentator argues that local planning authorities need to undertake reviews on what sites are available in the town centre and publish frequent reviews that support Local Plan policy. Perhaps local planning authorities need to recognise that their town centre boundaries will have to be amended to accommodate changes in market requirements. "*Perhaps it is time for flexibility and realism to include more of the open-book approach to development viability appraisal, and with greater understanding on the part of the local authorities.*"[11]

4.9 It is not the guidance itself which has been criticised but its interpretation. In particular it has been argued that local planning authorities are not being flexible and realistic. Local planning authorities have identified potential sites but this is only a fraction of the effort required to progress

[11] Hayton, K. "Testing the sequential test", SPEL 74:79, August 1999

a realistic development opportunity. In addition local planning authorities are presenting potential sites in theory but in practice these are not readily available.

4.10 According to one commentator caution should be a high priority when dealing with the sequential approach if it is interpreted in spatial terms. Thus "*in centre and edge-of-centre developments are automatically seen as 'good' regardless of their size, provision of car parking or any other aspect which means they are either unsustainable or detrimental to existing centres*". Using the same logic, out-of-centre developments are automatically labelled 'bad'. In other words it might be better to evaluate proposals against other factors rather than simply evaluating them against location.[12]

4.11 It has also been argued that it is possible to have a town centre development that can still have all the characteristics and detrimental impact of an out-of-town centre. The example given here is the Buchanan Galleries scheme which passes all the sequential tests yet it has the make up of an out-of-centre development. As a result of this it has been argued that the sequential approach can be a crude method on which to base retail planning policy and perhaps it needs to be amended to take into account other issues such as the scale of the development and existing facilities. [13]

4.12 With NPPG8 making it harder for out-of-centre developments to be approved it has been increasingly vital for developers to ensure that their site will qualify at least as an edge-of-centre site. However what qualifies as an edge-of-centre site has been debated and has resulted in inconsistencies, although it is argued inconsistencies have emerged because local authorities assess each site on its own merits or because the local authority has strong local views. Part of the problem could be due to the fact that NPPG8 does not include any indication of an optimum distance that might qualify as "easy walking". Whereas, PPG6 offers general guidance of 200-300 metres.

4.13 The interpretation of this by Scottish Reporters at Inquiries has caused confusion. At inquiries some Scottish Reporters have assumed 300 metres as a maximum distance and this has resulted in some decisions that have been argued to be inconsistent with NPPG8. Although NPPG8 does not include any optimum distance it does provide the phrase 'usually adjacent' in defining the relationship of an edge-of-centre site to the town centre.

4.14 Again, commentators have debated this issue. One example given by a planning professional is that in Renfrew the site of a proposed foodstore was determined to be "clearly" and "decisively" separate from the town centre due to it being greater than 300 metres away. However the route was free from barriers or busy junctions. In other cases however, for example, in Perth, a non-food proposal was deemed to be adjoining the town centre although it was separated by an area of land and a road.[14] A less successful example is a site in Fraserburgh that was regarded as 'not functionally adjacent' to the relevant retail area within the town centre. This was not because of a road but because of the difference in character between the areas.

4.15 Further criticism from property professionals is that the sequential test applies only to major retail developments and that it has been argued that this contains "geographic loopholes". This is because local planning authorities differ in opinion as to what 'major' means.

Retail Profiles

4.16 Most of the useful findings from retail profiles has already been reported in the previous two sections. In relation to the sequential approach, the Scottish pipeline floorspace data (see Section 2) does however show an important finding, that town centre applications and consents in Scotland have held strong throughout the last five years, with an increasing relative level of town centre floorspace coming through in the last two years in particular. Previously, a boom in retail warehouse park formats have shown a proliferation in out of centre development. However, the more recent trends now suggest that the town centre shopping centre format is a more popular form of new Scottish retail floorspace completion in recent years. At this point, it is perhaps worth noting that the 2000 retail development survey by the Scottish Executive Development Department,

[12] Hayton, K "Testing the sequential test", SPEL, 74.79, August 1999
[13] Hayton, K "Retail Planning Guidance and Policy in Scotland" TPR 72(1), 2001
[14] Wood, C. "The grey area of town planning", Property Week, 12 May 2000

taken from local authority returns, shows a similar pattern of town centre and edge-of-centre, representing the stronger elements of floorspace completions in the years 1998 to 2000.

4.17 Overall, from different retail profiles, this suggests to the study team that there has been success in applying the sequential approach, by reason of the evidence that significant levels of town centre/edge-of-centre space are being completed.

RETAIL DATA AND ASSESSMENT TECHNIQUES

4.18 This part of our research is of less direct relevance to the sequential approach. However, the study has presented an overview of retail impact assessment (Section 7) and one important point is the appropriate circumstances for retail impact to be investigated. Where the sequential approach has determined a site to be a reasonable physical contribution to the successful future vitality of the town centre; it is questionable whether a full retail impact or capacity assessment should be undertaken. Therefore, decisions about the sequential positioning of new retailing are increasingly important, in order to perhaps curtail the amount of effort invested in retail capacity/impact exercises and to focus more closely on the physical manifestation of new retailing and other the commercial facilities and whether this ties in well with existing fabric in town centres, to the benefit of the long term vitality and viability of the centre.

Review of policies and decisions

4.19 Structure Plans and Local Plans consistently include a specific policy in relation to the sequential approach, and this largely incorporates elements of paragraphs 12 to 16 and 45 of the NPPG as they relate to the sequential approach. Policies tend to group compliance with the sequential approach together with other related issues including deficiency and vitality/viability issues. The Finalised Edinburgh and the Lothians Structure Plan elevates the sequential approach to dominate the two main general retail policies (RET1 and RET2), and the Plan specifically cross references the definition of 'centres' to the sequential approach.

4.20 Glasgow and Clyde Valley Structure Plan focuses more on the capacity for new retail development in defined centres with an integrated strategy which accounts for quantitative, locational and qualitative issues as well as relationship to the wider issues of supply and demand.

4.21 Local Plans similarly interpret the sequential approach in line with the main references in NPPG8, although wider interpretations are more in evidence. The Finalised East Renfrewshire Local Plan, for example, in addition to the standard policy seeking to protect town centres, includes a policy requiring major retail development proposals to be located in or "adjoining" specific town centres and there is no reference to the sequential approach in respect of these or alternative locations.

4.22 There appears to be limited differentiation between urban and rural locations in respect of the sequential approach, notwithstanding the concerns of many that such a differentiation is necessary. For example, the Finalised Orkney Local Plan includes a policy in relation to out of centre retail development broadly consistent with the NPPG8 paragraph 45 criteria, including the sequential approach.

4.23 There is no evidence from the Structure or Local Plan policies to suggest that authorities would prefer a specific distance to be stipulated in the definition of edge of centre, in line with English guidance. There is a clear preference for flexibility based on the individual circumstances of the case.

4.24 In relation to appeal decisions, the sequential approach is an important component in Reporters' and Ministers' decisions. The following points emerge:-

- the definition of edge of centre is regularly debated, and, in general conclusions focus on not only the distance between the application site and the town centre/primary retail core, but also the physical characteristics associated with the link between the two, the attractiveness of the experience and any visual integration;
- the potential of the application site to function as part of the town centre is a common consideration;

- there is evidence to suggest that new developments directed to established out of centre retail locations not currently recognised as centres in their own right are preferred to new free standing locations (Wallace Works, Perth; Halbeath, Dunfermline);
- disaggregation of proposals and formats has not underpinned appeal decisions in relation to the sequential approach, and there is evidence that Reporters and Ministers are reluctant to insist on disaggregation of, in particular, DIY and food proposals, to avoid the risk of diluting or losing the qualitative advantages associated with the proposals.

Transportation Issues

4.25 The overview by CBP on transport issues for this study has found that flexibility is required to take into account differing circumstances in different parts of Scotland on the sequential approach, as far as accessibility is concerned. The definition of edge-of-centre should not be too prescriptive to allow for specific circumstances to be taken into account.

4.26 Current guidance on Transport Assessments appears to suggest wider catchments being appropriate for walking distance (20 to 30 minutes or 800 to 1200 metres) than that used in many current assessments of town centre walking linkages for planning purposes. However, there are issues relating to the distance that would be give rise to linked shopping trips. In addition to walking, there is a potential to include public transport accessibility in the assessment of whether a site is "edge-of-centre". There are likely to be locations on major bus corridors and within easy walking distance of town centres that may be suitable for some sorts of development.

General Shopping Public Surveys

4.27 The selective review of shopping habits amongst the general public in the different Edinburgh, Glasgow, Perth/Kinross and East/West Lothian areas shows output in terms of linked trips for food and non-food (reported in the previous two sections). Linked trips is an issue which is at the heart of the sequential approach. From the surveys of shopping habits, it would appear to be appropriate to gear the sequential approach to other commercial activities such as financial/professional services and restaurants and cafes and leisure activities in and around established centres. However, the study team has to acknowledge the evidence here as being sporadic, from only a sample of surveys. It is suggested that further survey research is carried out into the shopping public, particularly on matters such as linked trips which will affect the future application of the sequential approach.

4.28 There is current debate in the planning profession about the compatibility of some modern retail formats which are too large to be accommodated under a rigorous application of the sequential approach. In terms of gauging household habits of the shopping public in Scotland, the study team believes that matters of new retail formats should be pursued further, by way of household shopping survey. For future retail policy, particularly on the sequential approach, it would be of great benefit to gain some updated information on urban and rural shopping habits throughout Scotland. In particular issues of whether the shopping public identify with the benefits of linked trips in established centres, by way of a full choice and range of retailing in different formats. Moreover, there are issues of whether the shopping public value some form of decentralised retailing in larger formats, using more spacious layouts, such as the display based large furniture units with the efficiencies of the flat pack dispatch. The major DIY and gardening outlets are other examples.

Public/Private Sector Questionnaires

4.29 The sequential approach was a difficult issue to explore directly through the questionnaire method. However, the research team used a multiple response format in Question 7 which asked for the level of agreement/ disagreement in terms of different statements relating to the sequential approach. The results for public sector respondents were:

- In defining 'edge-of-centre' most respondents were keen to follow 'easy walking distance to the centre' indeed, more than 20% suggested that 'any walking distance' could be appropriate. However, there were less than enthusiastic responses to specific dimensions in terms of metres (200 – 300 metres was specified) and some of the follow up comments suggested that much depends upon the kind of walking experience between the centre and the edge-of-centre site and also on the overall size of the centre in question.

- Other notable comments from the sequential approach question were the strong support for the sequential approach because the favouring of central locations helps town centres' vitality and viability.
- In addition, respondents backed the use of the sequential approach for leisure uses and believe that planning authorities have been flexible and realistic in seeking to allow development through the sequential approach. Nobody agreed that a lack of flexibility and realism by planning authorities might have discouraged some beneficial developments from going ahead.
- Finally, it is interesting to note a response of less than 40% in agreement when asked whether the presumption for central locations helps to promote an efficient, competitive and innovative retail sector.

4.30 There were some helpful indications for policy from the public sector responses. It appears that there should be a flexible approach to locational decisions based upon circumstances at the local level in terms of walking distance between proposed sites and the centre. There is a strong belief that planning authorities are making efforts to be flexible and realistic and there is some reservation on whether the whole approach helps to promote efficient competitive and innovative retail sector.

4.31 The private sector questionnaire raised similar questions on the sequential approach.

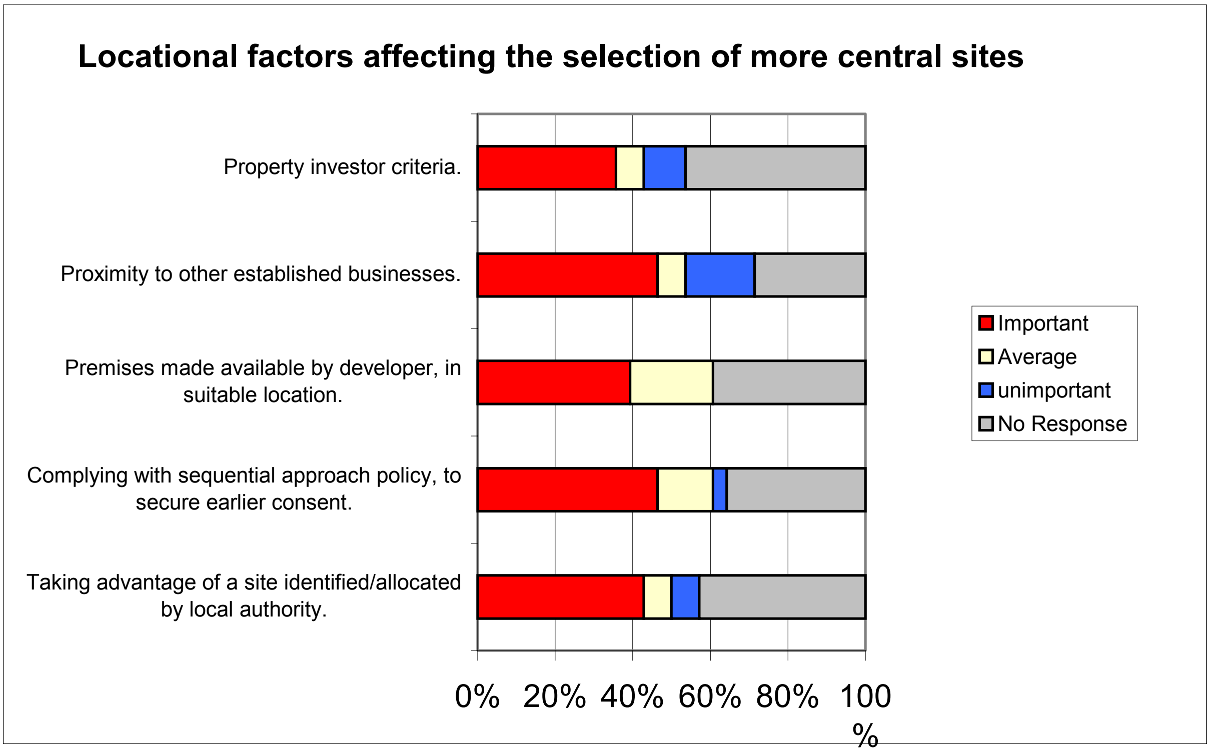
4.32 In the same way as the public sector questionnaire, Q7 asked the private sector respondents what their views were on various statements in relation to the sequential approach:

- There were high levels of agreement to the statement that planning authorities could be more flexible, realistic and proactive in promoting new sites in the future.
- A higher level of agreement was recorded for larger formats of some retail stores offering good retail and planning benefits, suggesting that planning decisions should be more flexible to allow for these formats.
- It was suggested that a lack of flexibility and realism on the sequential approach by planning authorities might have discouraged some beneficial developments.
- It was accepted that favouring central locations for development does help the vitality and viability of town centres.
- On defining the edge of centre, most respondents felt that any walking distance or 'easy walking distance' were the more appropriate measures, rather than defined dimensions in terms of stated amounts of metres from the centre.

4.33 There were some further qualitative responses on the sequential approach and respondents suggested that it might be over zealously applied, depriving some centres of modern facilities. However, others suggested that a less rigid application of the policy and a more open positive proactive role in promoting new town centre sites would help local authorities in seeing better results from the sequential test and other promotional initiatives.

4.34 Another important point from the private sector side was other reasons given for locational decisions on selecting sites on central or edge of central locations. Property investment criteria, proximity to other established businesses and readily available premises made available by a developer were all significant responses with approximately 40% believing these to be important. However, more than 40% also stated that compliance with the sequential approach policy was a key factor in locational decisions, as well as taking advantage of a site identified/ or allocated by a local authority.

Table 4.1 Locational Factors which affect site selection.



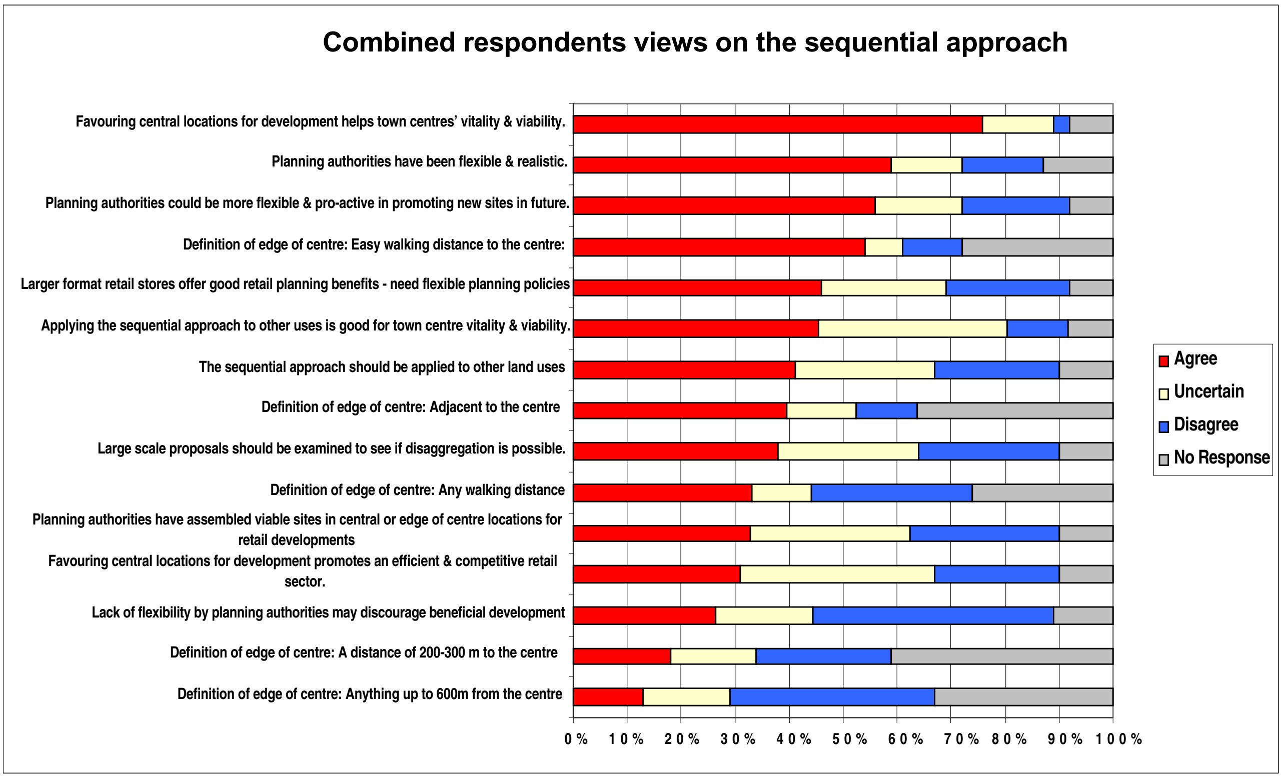
4.35 The Report of Survey Research also provided the client group with data which combined the public and private sector responses to the questionnaire. Q6 focussed on whether NPPG8 was a useful tool for guidance on key topics; more than 50% of the combined respondents found the guidance clear and instructive on the sequential approach.

4.36 The chart below shows the views of combined respondents on the sequential approach:

- "any walking distance" is agreed by more than 30% of all groups as an appropriate view on applying the sequential approach to new sites.
- "adjacent to the centre" (40%) and "easy walking distance to the centre" (more than 50%) are the more popular responses in providing a definition of edge of centre.
- Overall, more than 50% believed that planning authorities could be more flexible, realistic and proactive promoting new sites in the future. However, it is interesting to see that nearly 60% also agree that planning authorities have already been flexible and realistic and allowed some developments to be approved for good planning reasons.
- Overall, respondents felt that the preference towards central locations had helped town centres' vitality and viability.
- Respondents were less enthusiastic to measuring in metres, the definition of edge-of-centre. Overall, there was no outstanding view that authorities had been lacking in

flexibility and realism (however, there was no response from the public authorities on this point).

Table 4.2 Combined views on the sequential approach.



4.37 The previous section (Tables 3.4 and 3.8) presented respondents views on different factors which can be used to define the physical extent of town centres. This is equally relevant to the sequential approach findings and it is important to note the predominance of public transport/focus of public activity and primary/secondary retail frontages as indicators to define centres.

TOWN CENTRE MANAGERS

4.38 The town centre managers (TCM) discussion group and questionnaire revealed a neutral response in relation to the sequential approach. Respondents gave their answer in a neutral position between the view that sequential approach policy was clear/instructive or unclear/misleading. On further probing, the TCM group provided some further comments with regard to the sequential approach.

4.39 With regard to the sequential approach, the current policy was perceived as workable, although different interpretations were possible. These attitudes, articulated within the focus group, were supported by the supplementary questionnaires. In assessing new developments through the eleven criteria tests of NPPG8, 'satisfying the sequential approach' was perceived to have the clearest and most instructive guidance.

4.40 However, there were a number of areas cited that would benefit from further refinement. Greater precision and disaggregation in defining what constitutes a town centre would be valued. As an example, it was suggested that TCM could adopt a generic blueprint that could zone the town centre. This would take the form of an immediate core, outer core and expansion core. As a consequence, the boundary of the town centre could exercise flexibility to take account of spatial growth or format development.

4.41 In addition to issues of definition, allowing site flexibility was paramount. In some instances, city centre sites are considered to be more problematic relative to out-of-town. Consequently, if guidance is too prescriptive and makes direct comparisons to an out-of-town context, this could militate against development. Essentially, future plans need to take account of the physical constraints that may exist in town centres.

4.42 With regard to formats, a number of contrasting viewpoints were expressed. Some respondents indicated that the application of the sequential approach was dependent on the format; as an example, behavioural patterns and consumer preferences could limit the suitability of a DIY/bulky goods retailer in a town centre location. In contrast, with a good location and infrastructure, together with servicing points, it was contended that these types of retailers could find a compatible town centre site.

4.43 TCM respondents were generally in agreement that the presumption in favour of more central locations has been good for town centres' vitality and viability. They were also in agreement with the application of the sequential approach to leisure and possibly other commercial uses such as offices and business space.

FEEDBACK FROM DISCUSSION FORUMS AND INTERVIEWS

4.44 The Stirling Forum discussed the sequential approach issue in some depth and the key issues are summarised as follows:-

- There was consensus between both the public and private sector representatives that flexibility was again necessary in relation to the sequential approach and in particular there was greater need for local discretion in relation to certain aspects;
- As an example, rural authorities should be more able to deviate from the accessibility by public transport agenda, as this may not be a key concern;
- Similarly, policy should take account of differing retail sectors and formats and the current approach requiring everything to be tested against town centre protection policy was unreasonable;
- The key starting point should be the consideration as to whether the town centre is the best location, or whether an off-centre location would be preferable for a particular form of development serving a particular community need;
- In relation to edge-of-centre definitions, it was felt that the specific distances defeated the purpose of the definition and there was a need to be intelligent and flexible in relation to how sites link together;
- Further research on linkages and their benefits was needed;
- The benefits of the sequential approach, however, enable town centre core areas to reflect local circumstances, and these may change over time as a result of edge-of-centre development.

4.45 At the Perth Forum, much of the debate inevitably focussed on Perth and in particular, the implications arising from the appeal decision to allow an extension of the St Catherine's Retail Park at the Wallace Works site. A key issue in that decision was the lack of suitable alternative town centre locations, and on this issue there was the suggestion that concessions should be made in relation to conservation issues to accommodate redevelopment opportunities in the town centre. Private developers should be encouraged to work more closely with local authorities in delivering these opportunities. This issue should be addressed imminently to avoid another St Catherine's Retail Park being granted.

4.46 At the Advocates' discussion group there was support for increased flexibility for local authorities in identifying town centres and for decision makers in assessing whether a particular site was edge-of-centre. There was agreement that the national guidance should enable local authorities to apply an approach differently depending upon rural or urban circumstances, and that blanket application across Scotland was inappropriate and inflexible.

4.47 The paragraph 45 criteria in NPPG8 were cited as representing a development control tool which was regularly repeated in Structure and Local Plans. These were considered to be too rigorous and prescriptive, and more discretion for individual local authorities was necessary. The greater reliance on the car for accessing shopping needs should be capable of being reflected, depending upon individual circumstances and this was particularly important in rural Scotland. The issue of disaggregation was not readily apparent in decision making in Scotland, and retailers have tended to make it clear that planning authorities either have to accept the format unchanged or not at all.

4.48 The solicitors' discussion group considered the sequential approach and suggested that this issue and indeed the approach to defining centres should be flexible and be capable of being applied differently depending upon local circumstances (most notably between urban and rural areas). The key issue was the likelihood of a site functioning as part of the town centre, and adding benefit. An overly prescriptive approach involving specified distances would defeat the overall purpose of strengthening the town centre whilst enabling new development where no opportunities existed to locate within the existing centre.

4.49 It was similarly important not to rigidly apply the sequential approach to differing formats of retail and the relationship between a retail warehouse park and a city centre was cited as an example where availability of alternative sites and impact were unlikely to be realistic concerns.

4.50 It was critical for the success of retailing in Scotland that policies should ensure that customers get what they want out of retail and not what policy wants them to get. A key example of this is larger format retailing, which is often difficult to locate in existing centres, but should this be a reason to resist changing formats?

SITE DEVELOPMENT ISSUES

4.51 From the study team's review of site development issues, it is apparent that the overarching issue is one of a need for greater effort and resource to be made available to local authorities and other agencies, to bring forward sites; but also a greater level of certainty as to which sites will be encouraged in policy terms. This suggests that the sequential approach should be adopted much more as an "advance - test" and a lead / facilitator to new development; rather than a "post-test", often applied with rigour to developments once they are tabled.

SEQUENTIAL APPROACH – IMPLICATIONS FOR POLICY

4.52 Our conclusions for the implication for future sequential approach policy are noted below:-

SA 1 A Sound Approach

4.53 The first overall conclusion for future policy is to suggest a continuation of the sequential approach as a sound approach to planning commercial development in urban areas. It is significant that 55% of respondents to the questionnaire found the sequential approach well versed in NPPG8 and clear and instructive. Further, 75% felt that the sequential approach was good for the vitality and viability of centres.

4.54 Although separate findings in this study suggest there could be a different approach to the definition of centres, once they are defined, the study team believes the sequential approach should be continued as a reliable basis for physical planning decisions.

SA2: Comfortable Walking Distance

4.55 Another key finding, primarily from the questionnaire surveys was the majority (more than 50%) of respondents believing that "easy walking distance" was the best definition to employ for the sequential approach and a significant number supported "any walking distance" dependent upon the quality of "place – linkages" between site and town centre. Whilst guidance in England and Wales makes reference to a dimension in metres, and certain policies and decisions have debated the issue of relative closeness; most of the main appeal decisions audited for this study have found that the final analysis is on the physical attributes of the walk between the proposed sequential site and the town centre. The physical aspects employed in the sequential decisions include barriers to ease of movement (such as road crossings), attractive environment, active frontages and security. This has implications for the actual definition of the town centre (see SA4 below).

SA3: More Flexibility And Realism

4.56 Overall, we have identified findings in this section that there is scope for an increased level of flexibility and realism, particularly from increased resources and activity on the public sector side. Some of this response was from the public sector itself, because of the lack of resources to promote town centre sites. Many respondents felt that the promotion of an efficient, competitive and innovative retail sector requires a great deal more investment in time and resource, to promote realistic sites in town centre and edge-of-centre positions. Equally, there will be a continued need for the development industry to use innovation and evolving formats, to answer the challenge of seeking central locations.

SA4: Physical Definition - "Blue-Lining"

4.57 Another key finding is the need for some clear guidance on the physical definition of a town centre and the area of potential for edge-of-centre development. Typically, local plans employ the proposals map coding of a blue line to delineate the town centre. Specific responses to the questionnaire, discussion groups and interviews have variously referred to primary/secondary shopping, key areas of activity, and public transport nodes/services, to help this definition. But the issue seems to be one of the firm and fixed nature of these lines. Various study sources have commented that a peripheral expansion area should be identified as an advance planning exercise, through a form of possible "blue penumbra" which shades areas where; subject to access, land availability and scheme viability, the planning authority would accept future development.

SA5: An Expanded Centre Cannot Be An "Impacted" Centre

4.58 Another key finding is the view that, once a decision is made to accept a retail development as a sequential site which can contribute to a future definition of the expanded town centre, then it is inappropriate to expend further resource and analytical time on the retail impact of that retail facility. Accepting a development as a contribution to an expanded centre should be sufficient to declare it as a competitive element within the centre, not a competing impact upon the greater centre.

4.59 However, there might be some caution to the expanded centre approach. Whilst this tends to be a sound approach in cases of non-food comparison floorspace growth; cases of food/convenience floorspace might raise issues of a new, sequentially-sited store, impacting on a store already located closer to the prime pitch and performing a strong role. This could simply result in healthy competition between the two, but in locations where there is a tight limit on convenience expenditure, there will have to be a cautious capacity/impact approach to assess whether a store at the more remote sequential site threatens to supplant the more proximate store.

SA6: Pre-Testing - Not Post Testing

4.60 The study has revealed a common practice of the planning authority setting the sequential test and awaiting candidates to present a case to be assessed. This is typically in the form of a tightly drawn town centre boundary and little guide on where expansion would be encouraged, with the analysis left open to the intuitive appraisals of the authority, after the birth of a development scheme. Investors, developers and retailers would prefer to see this appraisal work being carried out in advance, with a careful viability appraisal of sites and potential expansion areas (see SA4/SA5 above).

SA7: Policy Parroting?

4.61 A frequent concern amongst "users" of development plans, and also those involved in advocacy and final decisions on larger cases have pointed to the common incidence of the NPPG8 sequential policy being repeated parrot-fashion in Structure / Local plans. This leads to debates at the decision stage as to what the national policy means by adjacent, or reasonable walking distance, rather than a more parochial debate about the merits of the case in question. This point links with other key findings on the theme of local discretion, to apply general national policy with an emphasis which fits specific local circumstances. The study team suggests that future national policy could set a context for the kind of local circumstances which might justify leeway at the local level (such as historic fabric constraint in some city centres and accessibility issues in more remote centres). One more immediate suggestion for future Strategic Development Plans is for criteria policies to be addressed at strategic policy level, with no requirement for Local Plans to restate them.

SA8: Format – Disaggregation

4.62 There is considerable debate from PPG6 south of the border on whether larger, more rigid retailer formats should be allowed to drift away from town centre / edge of centre sites, because of their advantage of scale / merchandise style. In this debate, there are firm opinions in stout defence of the sequential approach that larger formats of multi – offer under one roof should be disaggregated and built in separate smaller pocket sites around the town centre (in the leisure sector this has been likened to an extreme example of the single 10 screen multiplex cinema versus the separate location of 10 "mono screen" cinemas).

4.63 This study has not found a predominance of debate on this issue. In some notable cases, larger formats have generally been accepted in decentralised locations, through the survey returns, policy and especially the appeals reviewed in the study. This suggests that Scotland might be more tolerant of large retail formats and decisions have tended to look at the locational advantages of the proposed decentralised site for the larger unit and accepted the cases on its strengths in this regard.

4.64 On the other hand, a certain amount of presumption for town centre siting, and encouragement of different formats might have assisted in seeing the re-introduction of smaller convenience outlets in city centres.

4.65 The study team suggests that this evidence might result in a form of selective tolerance of larger store formats, particularly where the convenience of the proposed facility, or the bulky space-expansive display of goods might suggest a qualitative benefit to the shopping public. However, it has to be weighed against findings elsewhere (DC1 in particular) that fashion/comparison retailing remains as a high priority for town centre locations. The implication is a need to employ appropriate restrictive conditions on retail format in order to balance town centre benefits with large format advantages.

4.66 Another approach might be to assess the catchment draw of the large-scale shed format. Some have been established at a level that draws a supra-regional attraction, which has strategic (possibly national) traffic impact implications. A single highly successful modern format creating a national draw is evidence for introducing the same format at a number of more regional locations, thus reducing trip length and congestion and possibly locating the retail format in a sustainable centre, at the more local level. In Scotland, this evolving pattern has been seen with the likes of IKEA and Costco.

4.67 Another final point on larger formats is the possible regenerative/vitality and viability boost which can result from a larger unit being located as a new anchor store to an extended, or redeveloped centre, rather than in a free standing location. There is evidence in Scottish centres of larger convenience units forming a strong element in new centres and existing centres (Hamilton, Auchinlea, Springburn, Livingston, Edinburgh Waterfront, Dunfermline and Inverness all present examples).

SA9: The Urban Density Aspect

4.68 A final finding on the sequential approach is the future physical effect of applying a presumption in favour of central sites. With the conclusions elsewhere on the need to expect continual growth in retail and commercial developments and the need to improve development opportunities there is the resulting question of how this can be accommodated in centres which have already seen significant redevelopment and expansion. It is suggested that an outward spread of centres will evolve to show an upward spread in density and this might start to present urban design challenges, particularly in areas of strong heritage control.

5. SUPPORT FOR NEW DEVELOPMENT

5.1 The original client Brief highlighted the importance of issues such as the sequential approach and the definition of different centres. However, emerging from these issues in the original Brief was the question of adequate support for town centres. It was noted that many centres have some way to go to ensure that market expectations by retailers and others in terms of the size and type of retail units are being met and that the shopping experience meets consumers and retailers' expectations. The Brief questioned whether there was a need to address further measures and actions to improve town centres and could local authorities, in partnership, take a more proactive role in identifying and delivering development sites?

5.2 In the following sections we review findings from our desk research work and then set out findings from primary research into land assembly/site development issues.

FINDINGS FROM DESK AND SURVEY RESEARCH

5.3 Support for new development in town centres and other locations is a narrowly defined topic and the research team decided to make it a research exercise in its own right; under the survey research, the final issue was site development issues. This is summarised under a later sub heading below. However, first we have drawn some of the conclusions on this topic from the other research tasks.

5.4 In the Report of Desk Research, the general retail review by IRS identifies key issues such as political, economic, social demographic and product/process and environmental changes as key drivers in the retail system. Although these drivers might be seen as remote from land use planning and development solutions, they are all important factors in the activities in the development industry, in bringing forward propositions for new retail and commercial development in urban centres. The IRS research continues with a specific look at the need to accommodate continued retail sales growth, accept developments in retail format and to look carefully at optimal choices being made by developers and retailers alike for key locations. As a result, this background research points to the competitive effects in retailing bringing about a succession process between the surviving centres and other centres which, perhaps might need to be subject to managed decline in physical terms, with alternative land use options.

5.5 All the above factors point to the need to understand property development processes and pressures, land assembly issues, end use occupier demands and various other land assembly, viability, site preparation and infrastructure issues which influence levels of new development. Levels of new development were researched in the retail profile section of the desk research and, as identified earlier in this report, there has been no dearth in the Scottish pipeline for new retail proposals in town centre and out-of-town locations. In the majority of cases, floorspace proposed has actually been consented and most of this has been built. Therefore, there is evidence that the development industry has not abated its interest in producing more retail floorspace over the last five years. However, there is evidence that a more abundant level of floorspace has accrued in out-of-centre locations, particularly through a relative boom in retail warehouse space around the turn of the century. Comparable levels of town centre floorspace are lower (although it is accepted that town centre shopping floorspace can provide for a greater variety, range and intensity of use than some bulkier retail warehouse formats).

5.6 Other sources of the research, including commentary by property professionals and the review of policies and decisions points to a need for a continual updating of the "health check" on town centres. Vitality and viability is judged to be a useful indicator in NPPG8 as long as it is applied in an up to date context to the benefit of town centre development and expansion.

5.7 It was interesting to see that the full range of both Structure and Local Plans made repeated reference to some form of policy encouraging and promoting new retail development in existing town centres. There was, however, limited reference to town centre strategies which would go beyond the encouragement of promotion role, towards actually facilitating new development in existing centres by different means. Similarly, Local Plans often make reference to opportunity sites but there is limited evidence of specific policies geared towards implementation of development on these sites, or identification of resources to facilitate this.

5.8 Policies and proposals make sporadic references to various forms of partnerships, enterprise companies and other agencies. However, there is scant reference to actual opportunities, resourcing and programmes being taken forward by partnerships.

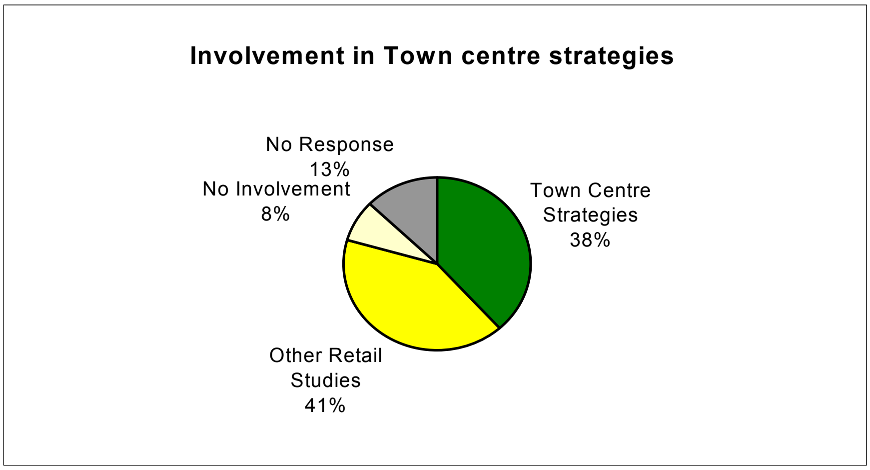
5.9 The input from CBP on transport issues highlights some of the points from the Key Sites appraisal methodology where highly accessible sites with potential for public transport advantage could be brought forward for higher density travel generating development. This could be mixed use development with an encouragement for innovative and high quality physical solutions. Some of the supplemental advice in the Key Sites study looked at the viability issues of assembling sites and the possibility of incentives to encourage developers to look at transportation investment, on the basis of the potential for increased returns in the long term and recognition of the value of their investment in the planning hierarchy.

5.10 From the public and private sector questionnaires in the Report of Survey Research, there was frequent reference to the need for sharper policies and clearer best practice guidance on the assembly of town centre sites and the promotion of new development opportunities.

5.11 Many of the unprompted comments from **public sector respondents** referred to the difficulties of site assembly and bringing forward central development projects, within the resources available. There was frequent mention of CPO, land assembly and land purchase issues.

5.12 Question 2 of the questionnaire surveys looked at whether the respondent's planning authority had produced any specific town centre strategy or Development Briefs.

Table 5.1 Public Sector Production Of Town Centre Strategies Etc.

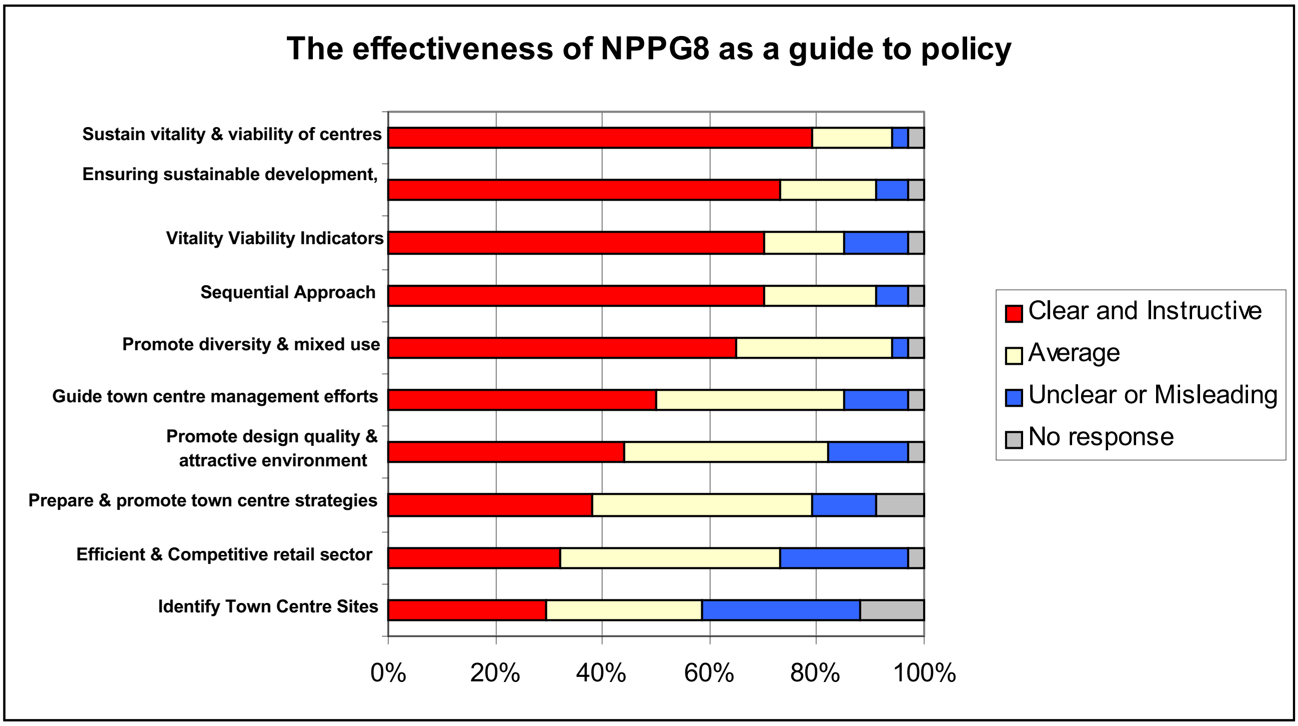


5.13 Although paragraph 33 of NPPG8 specifically states that planning authorities should adopt a proactive role and agree an overall town centre strategy and partnership with others, Table 5.1 shows that only 38% of respondents made mention of a specific town centre strategy prepared in the last five years. There were various other references to different kinds of retail studies, but none of these was judged to be specifically town centre strategies or Development Briefs for new schemes, in the view of the study team, when appraising the questionnaire responses.

5.14 This is obviously a significant result from the public sector side, and suggests that NPPG8 guidance on town centre strategies will need to increase their profile, method of preparation and the importance of their output.

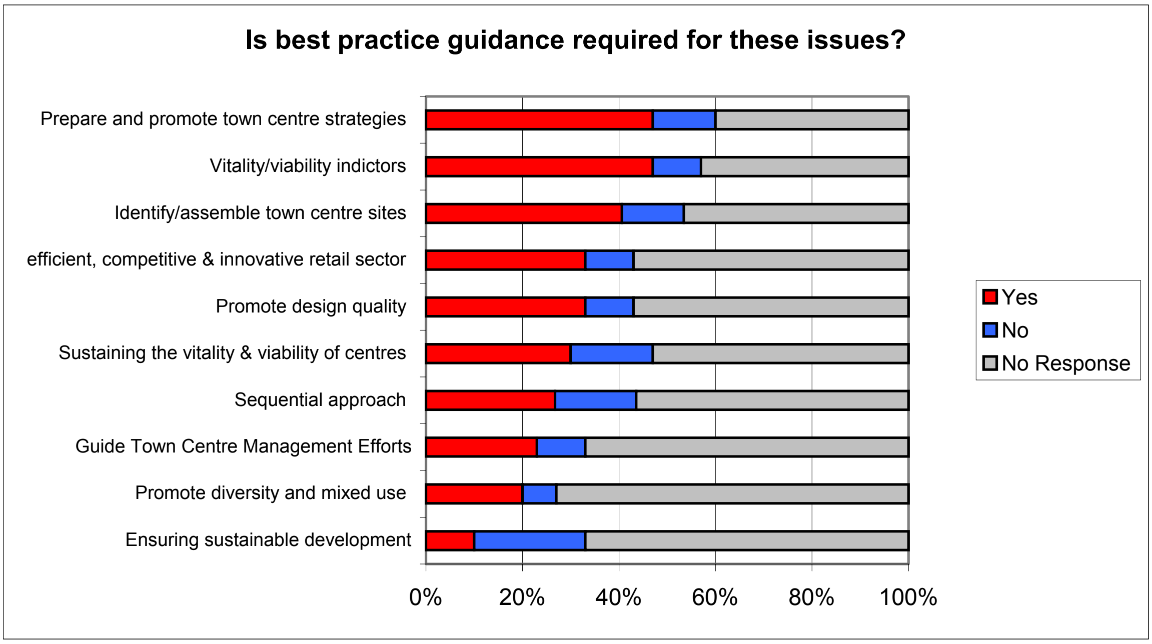
5.15 Q6 of the questionnaire included a direct reference to the effectiveness of NPPG8 as a guide to various aspects of policy. From the various answers, (see table 5.2 below) the public sector respondents generally believe that the policy was less than clear and instructive on the specific topics of town centre strategies, identifying town centre sites, ensuring an efficient and competitive retail sector and promoting design quality and attractive environment. Less than 40% thought that NPPG8 provides clear guidance about site identification. This was the lowest positive response out of the 10 issues listed. We believe these responses are linked to the overall comments given on development issues and the level of support for new development.

Table 5.2 The Effectiveness Of NPPG8 As A Guide To Policy.



5.16 Indeed, Question 6 had a follow up item on whether best practice guidance was required for certain issues. Preparing/promoting town centre strategies and identifying/assemble town centre sites both received strong 'yes' responses when asked whether further best practice guidance was required (Table 5.3).

Table 5.3 The Need For Best Practice Guidance.

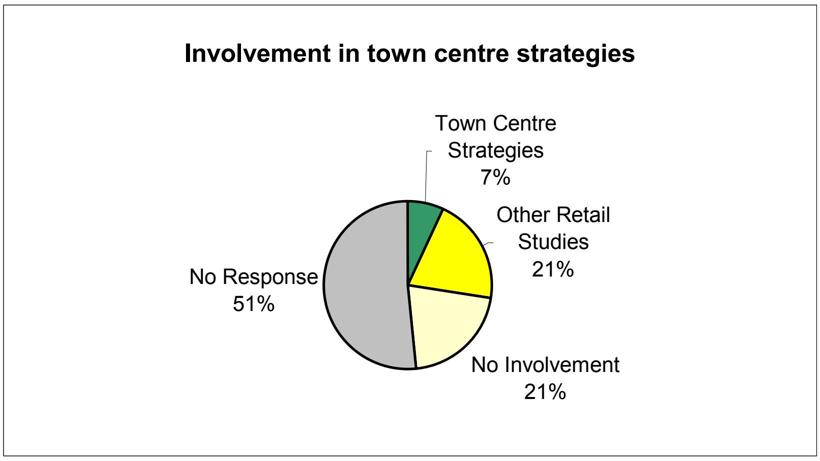


5.17 In conclusion, we believe that there is a significant level of response amongst the public sector that further policy guidance could be given on the issue of supporting new development in appropriate centres.

5.18 From the **private sector questionnaire,** comments were given on support for new development, with the belief that more initiatives could be undertaken to bring forward central sites. In addition, some of the responses to questions are revealing on this topic:

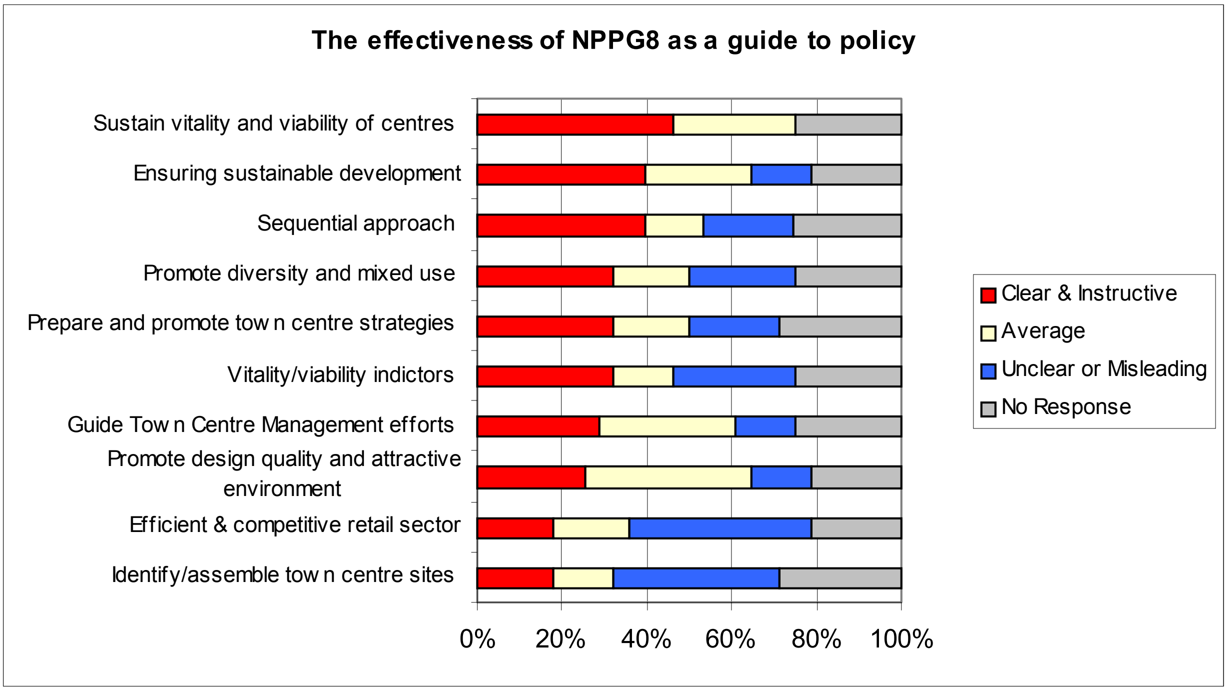
- As noted under Section 2 above, comments on general trends make reference to the need for some flexibility to allow new retail formats into new developments, district centres and other locations.
- An important question was whether private sector businesses have been involved in development briefs or town centre strategies (Table 5.4)). In this case, only 7% said that they had been engaged in a town centre strategy in Scotland in the last 5 years. Whilst another 20% had seen some involvement in general retail studies/ vitality and viability assessments, 73% had taken no involvement or made no response in respect to town centre strategies. It is interesting to compare this with the level of activity reported back from the public sector side. There is some suggestion here that public sector-led studies might not be engaging the private sector to a full extent.

Table 5.4 Involvement in Town centre Strategies.



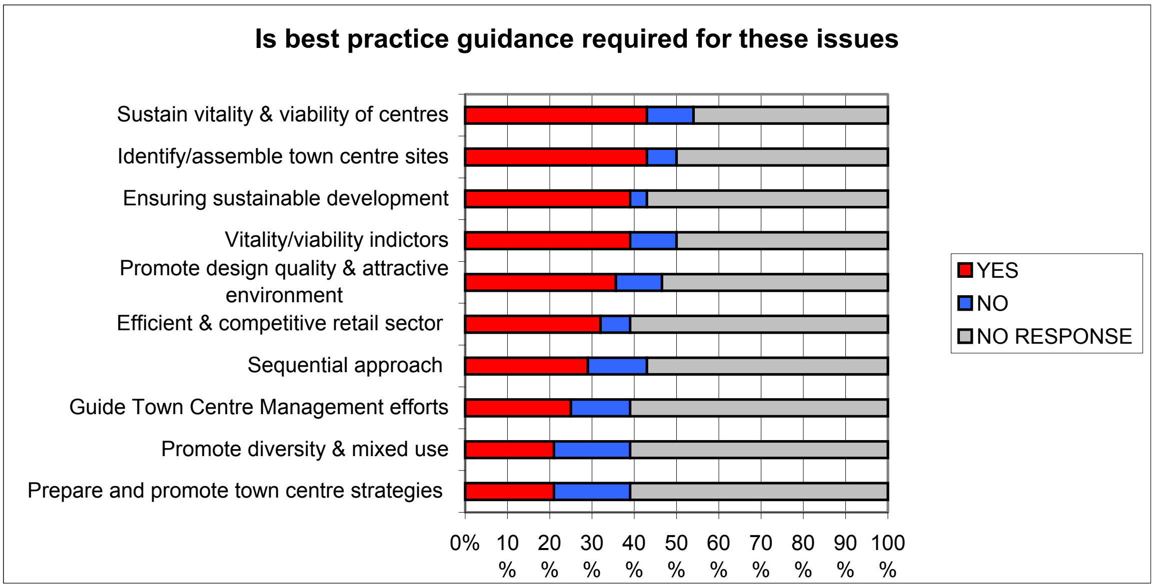
- Question 6 also questioned private sector respondents' views on the effectiveness of NPPG8 as a general tool for policy and decisions in respect to different topics. Table 5.5 (below) shows that the private sector showed some disappointment in the policy being less than clear/ instructive on the identification/ assembly of town centre sites (less than 20% found it clear and instructive); efficient and competitive retail sector (less than 20%) and policies to promote design quality and an attractive environment (less than 25%).

Table 5.5 The Effectiveness of NPPG8 as a Guide to Policy



5.19 The responses to Question 6 also revealed that, out of those making a comment about best practice guidance, relatively high numbers believed there should be further best practice guidance on identification/ assembly of town centre sites (43%), ensuring sustainable development, sustaining the vitality/ viability of centres and ensuring an efficient and competitive retail sector (Table 5.6). The high proportion identifying need for guidance on identification/assembly of town centre sites mirrors the public sector's response on this topic.

Table 5.6 The Need for Best Practice Guidance.



5.20 Further comments have been given in separate parts of this report (in particular the discussion group and focused interview responses). However, it seems that the need for further support for new development is a key area in the response from the private sector interests.

5.21 From the discussion and questionnaire exercises with the town centre managers, there was a significant level of agreement to the suggestion that the benefits of future retail development could be better harnessed by the planning authority being more flexible, realistic and proactive in promoting new sites in the future; an average score of 3.8 on a scale of 5 (strongly agree) to 1 (strongly disagree). The TCM audience felt that flexibility on development sites was important. In some instances, city centre sites are considered to be more problematic relative to out-of-town. Consequently, if guidance is too prescriptive against edge of / out of centre development, this could be detrimental to future development. Future plans need to take account of the physical constraints that may exist in town centres. TCM could adopt a closer role in a blue print for town centres providing for an immediate core, an outer core and an expansion core, allowing the boundary of the town centre to be flexible and to take account of spatial growth or changes to retailers' formats.

5.22 From the Stirling and Perth discussion groups, support for new development was raised and the following points were gathered:

- Both public and private representatives accepted the difficulties associated with facilitating new development in existing centres;
- The issue could be properly linked to wider strategies, e.g. area-wide regeneration, enabling public/ private partnership funding; in smaller scale circumstances however, this approach was unlikely to be practical;
- Compulsory purchase was one possible approach, but disadvantages include cost, timescale and lack of certainty;
- There was a general agreement that a more positive approach to facilitate development was necessary and the key issue was not necessarily the availability of sites, but the will to make things happen;
- Overview and potential simplification of CPO procedures would be helpful (similar to that ongoing in England and Wales).

5.23 The Council in Perth has been actively involved in the preparation of a retail strategy for the town centre, particularly in the light of the St Catherine's Park decision. A key issue for the Council is one of balance, and in particular the extent to which all new development should be directed towards the main town in the Council area, potentially to the disadvantage of smaller, more rural centres. The participants recognised the need for the Council to deliver suitable opportunity sites within the town centre, capable of improving the competition, range and offer within the town, in order to compete with centres such as Dundee, Edinburgh and Glasgow.

5.24 The issue of a "level playing field" was raised in relation to car parking. Car parking at out-of-centre locations is often free, whereas town centre parking is charged.

5.25 Further, discussion amongst the planning solicitors raised the restrictive boundaries that contain town centres and the need for potential opportunities to be identified. Concern was also expressed in relation to local authorities' ability to deliver central sites given the complexities involved. Reference was made to the increased likelihood of local authorities selecting sites where they have a land owning interest. A further difficulty could be the issue of local authority land coming forward too slowly, when retail sites are often market driven requiring relatively quick and incisive action. The use of CPO powers was discussed, but some concerns were raised that CPO involves the surrender of one commercial interest for the benefit of another.

5.26 From the interviews with individuals, support for new development brought different views from the different sectors.

5.27 Local authority interviewees cited a range of examples where town centre strategies had been prepared, although there were limited cases of such strategies resulting in the actual delivery and implementation of new development. The approach is often based on identification of opportunity sites within Local Plans, with a range of criteria attached, but with no clear delivery mechanisms. The issue of tension between planning departments and estates departments was raised in relation to delivering town centre development opportunities, and this is a common concern. A number of examples were cited by local authority interviewees, and similarly this issue was raised by private sector interviewees.

5.28 The NPPG has, however, been positive in encouraging various town centre initiatives (e.g. environmental improvement schemes, business improvement/ advice schemes, public realm improvements, etc). Town centre management companies featured prominently in local authority interviewee responses, although these are often related to marketing, minor physical improvement works, maintenance, etc rather than revenue-generating development schemes.

5.29 The private sector interviewees referred to difficulties experienced by undersupplied/ over demanded centres such as Edinburgh city centre with the upward only expectation of institutions in relation to rental income. This in turn prices out retailers affordability and leaves a blight of expectation hanging over properties. In the mean time, no new floor space is provided and retail shifts to off-centre locations.

5.30 There is scepticism in the private sector in relation to local authority town centre strategies as referred to in NPPG8. In any event, however, these strategies must be capable of recognising the rapidly changing nature of retail formats and unless they can do this, they are unable to deal effectively with this dynamic sector. Scepticism was also raised in the developers sector in relation to developers being involved in partnerships with local authorities. Developers feel that they are often excluded from consultation exercises on Town Centre issues.

5.31 Some supplemental enquiries with a sample of leading Scottish regeneration agencies/companies brought the role of retail/commercial development to the fore, in regeneration projects. Most felt that the "early phase catalyst" was a positive effect of retail with higher land values assisting with the strain of a deficit cash-flow, often affected by decontamination and land assembly/infrastructure costs. However, others suggested that the inclusion of retail centres could conversely be seen as a later phase complementary service to an established new urban quarter and some comments referred to the possibilities of lower decontamination costs if a simple retail car park was required, as opposed to a use such as residential. But the general view amongst regeneration specialists was positive towards commercial/retail development as a focus and catalyst for further renewal and higher density development.

SITE DEVELOPMENT ISSUES – SUMMARY

5.32 There are no direct references to the use of compulsory purchase powers to facilitate site assembly in NPPG8. Policy guidance merely encourages a co-operative approach between the private sector and local authorities to the identification and development of suitable sites.

5.33 Interviews with advisors and lawyers involved in the development process revealed dissatisfaction with the sequential testing process in particular the uncertainty over whether potential sites are available for development. The threat, or use, of compulsory purchase powers would assist this process.

5.34 Few authorities have used or are contemplating using compulsory purchase powers to assist in site assembly in pursuance of NPPG8 objectives. Developers consider that the compulsory purchase process is too long. Nevertheless, local authorities have the powers and can take the initiative in assembling town/city centre sites for retail development. There is scope to review Section 189 of the principal Planning Statute to simplify and streamline use of compulsory purchase powers.

5.35 There is support amongst local authorities for greater emphasis in national guidance about the positive/proactive role for authorities in land assembly. The "back-to-back" approach is supported but few authorities have experience of this process.

5.36 A recent compulsory purchase case for land assembly in Glasgow city centre that was challenged in court faltered not because the principle of acquisition was wrong but rather that the processes followed in that particular case had shortcomings.

SUPPORT FOR NEW DEVELOPMENT – IMPLICATIONS FOR POLICY

5.37 We highlight the following implications for policy, in conclusion to this section:-

SD1 – Sequential Site Identification Prior To Submission Of Proposals

5.38 Guidance should require local planning authorities to undertake a sequential approach to site identification in advance of development proposals coming forward rather than retrospectively. As part of their development plan preparation and survey work, local planning authorities should undertake systematic site searches for potential retail development sites in cities/towns. This could be done with the assistance of the private sector and would underpin the policy approach taken in the Development Plan.

SD2 - Best Practice Guidance Required For Site Development Issues

5.39 Clearer advice and best practice guidance is needed about:

- Preparation and implementation of town centre strategies;
- identification of sites in consultation with the private sector;
- site assembly; in particular the use of "back-to-back" approaches to development proposals.

These are fundamental issues that go to the heart of facilitating successful retail centres. Planning Authorities need to understand (or remind themselves) how sites are identified and assembled and how the private and public sectors can work together successfully to implement change in town and city centres.

SD3 – Reference Required To The Use Of Compulsory Purchase In Site Assembly

5.40 NPPG8 and PAN59 should emphasise the important role of compulsory purchase powers in facilitating site assembly and state the Executive's endorsement in principle of this approach. The perception by local planning authorities is that the compulsory purchase process is long, costly (both financially and in staff resources) and complicated. These perceptions need to be corrected and strong, firm advice in national advice should be given.

SD4 – Annual Register And Review Of Potential Retail Sites

5.41 Local planning authorities should monitor and identify suitable retail development opportunities on an annual register and if none are identified, justify this position to the Executive. This would be akin to a housing land supply audit. A much more pro-active stance needs to be taken by planning authorities in identifying opportunities for growth and reviewing these on an annual basis. The private sector and consultants can be harnessed to give their input.

SD5 – Review Section 189, Town And Country Planning (Scotland) Act 1997

5.42 Review section 189 of the principal Act and consider replacing current requirements with broader, simpler ones. There is a need to move away from the ties to the development plan and planning consent requirements that can often take too long to achieve in the face of dynamic, fast-moving retail requirements. Planning authorities should be able to use compulsory purchase powers flexibly and timeously without getting bogged down in what may be perceived as 'legalistic requirements'.

SD6 – Streamline Compulsory Purchase Process

5.43 Streamline and shorten the compulsory purchase process under the Town and Country Planning (Scotland) Act. The compulsory purchase process can often take too long to complete and this does not assist retail development which requires quick decisions. The time periods for challenges and confirmation need to shortened.

6. RETAIL DEPRIVATION

6.1 One of the subsidiary issues highlighted in the original client Brief was access to shopping and how successfully existing guidance relates to the wider social inclusion agenda of Scottish Ministers. It was suggested that current patterns of retail development mean there is some rural and urban communities where access to good shopping (including food shops) might be inadequate. Should there be greater guidance/emphasis on the social impact on the location of new retail development and what is the role of retailing and supporting urban regeneration? Should the guidance say more on the particular concerns over rural shopping?

6.2 All these issues have been probed at different levels of the research in this study. However, at the outset it is important to note that the Study Team did not have scope in this study to mount a detailed appraisal. The team believes this issue will require further work in geo-demographic terms to assess the direct relationship between retail location and social inclusion. The study has made reference to national data agencies who could appraise this in more detail if further research was undertaken.

6.3 From the different exercises in the desk and survey research, the study team has some findings in relation to access to shopping – or retail deprivation.

FINDINGS OF DESK AND SURVEY RESEARCH

General Trends

6.4 The material on general trends presented in Section 2 is relevant in this context. IRS identify trends in Scottish retailing which include overall growth in retail sales and floorspace throughout Scotland, but also suggests that the total number of shops is falling. This might present a relationship whereby some less viable local centres are falling into disuse and decline. However, there continues to be evidence of an increase in the number of large food and non-food superstores and this appears to present evidence of increasing new modern floorspace provision throughout Scotland. From the drivers for change identified by IRS, the implications for retail planning identify the need to accommodate new retail sales growth as retailers take forward changes in their supply chain management and innovations in their merchandise techniques. All these factors lead to increased sophistication on ideal location and this will have implications on accessibility to the public at large. If there are fewer numbers of stores, IRS raises the question of whether consumers might be deprived in certain areas. There could be increased use of electronic developments for purchasing.

6.5 On the one hand, there might be an increased focus on larger store units in less frequent locations. However, on the other hand format developments might show an increased level of "in fill" opportunity retailers, particularly at the discount food level.

6.6 From the research into other professional commentary, the introduction of NPPG8 has seen success in major town centres but there may be some cases where smaller local and district shopping centres have suffered. Some suspect that this might be the case in deprived areas where there is difficulty in attracting and maintaining retail investment. The Scottish Planning and Environment Law Conference in 1997 identified an issue of looking afresh at urban areas in Scotland to sift out which shopping centres would be able to sustain themselves in the long term.

6.7 A recent IRS study that examined the price and availability of food in Greater Glasgow summarised that it was the shop type rather than the location or deprivation level of the postcode sector that is the best prediction for the price and availability of a range of food. The study concluded that there could be such issues as "food deserts" and "food poverty" in disadvantaged neighbourhoods, but to support this assertion, more studies need to be undertaken in specific areas, with a particular look at different retail formats.

Retail Profiles

6.8 From the various retail pipeline and other data in the retail profiles research, retail deprivation was directly addressed reflecting on the various charts reported to the client group on shopping floorspace pipeline, etc., the following broad statistics on the overall amount of floorspace completed are a helpful source. Overall, the following points suggest that there is scant evidence of Scotland in general being deprived of new retail floorspace:

- Nearly 2.2m sq. ft. of town centre non food floor space has been built since 1998
- Nearly 4m sq. ft. of out of centre non food floor space has been completed since 1998
- Nearly 2m sq. ft. of convenience goods food store floor space has been built since 1998

6.9 From these data, it is clear that across Scotland, increasing levels of modern store floorspace are being provided for the benefit of the population. There are no data available however to examine whether for the floorspace newly built, there has been a commensurate reduction of existing floorspace, and the locations most affected by such dynamics. Of course the significant question is whether the development of new floorspace has been focused in particular types of locations where the geo-demographic profile is stronger. Such developments could suggest a neglect of other more deprived areas, a process enhanced by changing shopping patterns of the more well-off or mobile consumers in all areas. However, from our analysis of the raw data, showing the locations of new schemes proposed and completed, it appears that in fact, much of the floorspace in urban locations has been developed in areas perceived as being deprived, particularly in the last three years.

CACI Demographic Data and Further Research

6.10 In order to try and add some detail to the question of locational aspects of new floorspace, CACI have discussed with Scottish Executive Development Department the possibility of some geo-demographic analysis to consider further the possible evidence of Retail Deprivation.

6.11 From this evidence, we conclude that if retail deprivation continues to be a question raised with the Scottish Executive, from a spatial perspective the question should be researched in more detail along the following lines:

- Further evidence to look at the spatial location of new food and non-food retail developments throughout Scotland to ascertain whether it has been provided on a relatively fair spread across all urban areas.
- Within the urban areas, to look at particular neighbourhoods which might show more signs of deprivation and interrogate further data on whether the levels of car and public transport accessibility are seriously compromised. This might start to suggest that, although large new shopping malls and superstores are within relatively close proximity, the means of getting to them on a regular basis are constrained by reason of the socio-economic deprivation in the locality. It is interesting to note that if this proves to be an issue, retail planning policy might have to recommend a more permissive policy environment which allows more retail developments more closely located to higher density urban neighbourhoods.
- For the rural areas, to confront the key question of "retail gravity" and the fact that the higher order non-food floorspace (in particular department stores and higher fashion outlets) will only locate in key city and town centres where there is the gravity of sufficient surrounding catchment to justify the investment. For instance, whilst it is encouraging to see that retail change in recent years has introduced new Debenhams department store formats into Stirling, Perth, Dundee and Inverness, it is unrealistic for smaller town communities within these areas (such as the likes of Crieff, Blairgowrie, Forfar, Elgin and Thurso) to expect the continued subsidiarity of provision down to the local level. Indeed, the evidence from past retail surveys

suggests that the more remote rural areas and smaller town neighbourhoods become quite used to the fact that they have to relate to a nearby larger regional or sub-regional centre for their main non-food shopping provision.

Policies/Decisions

6.12 From the review of sample policies and decision notices, there is no clear evidence within the Structure Plans recently prepared for major urban areas in Scotland of policies seeking to address issues of retail deprivation. This would reflect the response in relation to the level of deprivation in urban areas arising from our consultation exercises, which would suggest that urban retail deprivation has, for the large part, been eradicated in its basic form (primarily through the provision of additional discounted food retailing, although this possibly fails to reflect the need to address qualitative issues). In relation to rural deprivation, there is evidence of both Structure and Local Plans including policies seeking to retain and improve the provision of local shops in rural areas (Borders Structure Plan; Moray Development Plan; Orkney Local Plan). There is not however, major reference to a rural deprivation issue in development plans as they relate to rural locations.

6.13 In terms of the transportation inputs CBP have reviewed the research and summarised that current guidance highlights accessibility as a key issue in assessing transport implications. Accessibility in the context of retailing has a number of key implications:-

- Poor access to healthy and affordable food affects people facing social exclusion, particularly elderly and mobility-impaired people and those who live in rural areas or isolated estates.
- Access to retailing may in addition to actual shopping provide valuable access to employment opportunities.
- If a mix of public and private uses is provided at one location, this can contribute to overall access to a number of vital services such as healthcare, learning and work.
- The ability of food stores to sell non-food items could possibly improve the accessibility of shopping opportunities to those suffering from social exclusion.

Surveys

6.14 From the report of survey information, the available studies of household shopping patterns reflecting the general shopping public show that the vast majority of respondents undertake a weekly main food shopping trip. The various Edinburgh, Glasgow, East/West Lothian and Perth and Kinross areas also show frequent top- up food shopping trips of between two and six times per week. In terms of retail deprivation, the important point is the car as main method of travel to main food shopping and this is generally above 50%. In the more rural areas it is above 70%. The same sort of pattern applies to the method of travel for comparison shopping purposes. Therefore, it is clear that most people in these parts of Scotland have access to a private car for shopping purposes. A further point highlighted earlier is a highly significant result that the most liked aspect of people's favourite shopping centre is "closeness to home". This provides a clear lead to future Scottish Executive policy, to try and encourage increased levels of shopping centre provision within easy access of the more highly populated urban areas.

6.15 Only one part of the questionnaire questioned public sector respondents on retail deprivation. Various comments from this question have been helpful on the topic.

6.16 Most respondents were very forthcoming on the level of activity perceived in their area. However, it is notable that the planning officials involved in smaller towns and rural areas were concerned about sectors of the population being deprived from more accessible and convenient retailing. This was less the case with the urban local authority respondents.

6.17 Another key area in relation to retail deprivation is the ability to analyse qualitative and quantitative measures in any retailing area. Question 8 probed for views on the assessment of new developments and only 43% believed that the guidance was clear and instructive on the assessment of qualitative and quantitative deficiencies. A similar question (part 2 of question 9) asked about the adequacy of the guidance on assessing the scope for new development capacity and identifying deficiencies. 56% of the public sector respondents felt that NPPG8 was not helpful, in assessing the scope/ capacity for new development and identifying deficiencies. Further points on the assessment of deficiency and retail deprivation have been made in Section 4 of Document 1, The Report of Desk Research.

6.18 From the private sector questionnaire the same approach was taken to retail deprivation and different parts of questions revealed some indications.

6.19 Part of Question 11 specifically asked about views on retail deprivation. A number of private sector respondents believed that an inflexible/ over restrictive policy (particularly the sequential approach) was contributing to retail deprivation. Retailers and developers argued that by restricting new development, Councils are preventing free market competition and can be in danger of reducing consumer choice in the retail market. Others believe that deprivation was not a problem but a possible threat. This might come from the over dominance of large retailers forcing out smaller players. This kind of comment emerges from the views of the independent retailers we have surveyed as well. Others drew attention to the inflexibility of some policies covering environmental and conservation issues which may thwart attempts to develop in town centres, when sites do present opportunities.

6.20 As with public sector questionnaire, there was some reservation amongst the private sector that guidance on the assessment of qualitative and quantitative deficiencies is in need of improvement. Again, this issue was explored through Question 9 in the private sector.

Discussion Forums

6.21 From the various discussion forums, retail deprivation was specifically raised for participants' comments. The Stirling Forum found that food retail deprivation appears to have been alleviated, if not removed, but was certainly not now a major urban concern. The issue of responding to local circumstances was again raised in the context of deprivation and greater variation was needed in relation to scale and mix of stores. The issue of a potential city region/rural split was raised. The Perth Forum provided much debate in relation to the relative merits of enhancing the status of towns such as Perth as the main town in the administrative area, to the potential detriment of more rural centres. In overall terms there was consensus that the larger rural centres (Pitlochry, Crieff) have survived with the benefit of tourist trade and basic local convenience provision. However, concern was raised in relation to similar centres that do not benefit from tourist trade and accordingly might be suffering a reduction in convenience and comparison shops.

6.22 From the rural experience, there was some evidence of national store chains now looking for improved trading floorspace, expansion or new stores in smaller locations, such as Blairgowrie. Amongst independent traders there was serious concern about internal impacts within centres, despite the possibility of new multiple retailers locating within the town centre. In other discussion groups, the issue of food quality was raised. In terms of a national agenda for Scotland to promote health and well being, the perceived deprivation in food retailing in urban areas in Scotland has largely been eradicated through the introduction of discount food stores and smaller mainstream formats. However, there could be concern that the kind of food sold from different operations might provide a different nutritional value at the local level, thereby impacting on the overall health of lower income sections of the community.

Other Sources - Deprivation

6.23 Another source used for this topic was the Scottish Executive National Statistics Publication "Social Focus on Urban Rural Scotland 2003". Some findings include:

- From a 6 fold classification of settlement types, the relative count of locations in Scotland is;
    - Large urban Areas – 4
    - Other urban Areas – 51
    - Accessible Small Towns – 93

- Remote Small towns – 24
- Accessible Rural – 248
- Remote Rural – 72

6.24 This suggests that future work on retail services can work in some confidence that the balance of Scottish settlements is weighed in favour of urban/town areas and indeed, for rural areas, the majority are classed as "accessible".

6.25 Another indicator was the Report's findings on peoples "likes/dislikes" of their neighbourhood, included in answers was "Convenient Shop / Other Amenities", with the percentage responses as follows:

- Large urban Areas – 39
- Other urban Areas – 37
- Accessible Small Towns – 27
- Remote Small towns – 40
- Accessible Rural – 13
- Remote Rural – 11

6.26 The telling point here from the Scottish Household Survey is the drop-off rate of affirmative responses for the rural areas, but an interesting 40% of remote small town households particularly liking their access to convenient shop / amenities.

6.27 Another good indication from the Scottish Household Survey is the percentage of people stating that they find the level of access to various services very or fairly convenient. In terms of access to grocery / food shop, the differences in response from those without / with access to a car are similar between accessible and remote areas:

People answering that they had 'Very' or 'fairly' convenient access to grocery / food shop:

- People in "Accessible Areas" without access to a car: 86%
- People in "Remote Areas" without access to a car: 82%
- People in "Accessible Areas" with access to a car: 92%
- People in "Remote Areas" with access to a car: 86%

6.28 Finally another key contextual source for possible future analysis of retail deprivation in Scotland is the Scottish Indices of Deprivation 2003 for the Scottish Executive (Social Disadvantage Research Centre, Oxford). The summary report includes details of the indices' methodology and charts a geographic map of areas of deprivation in Scotland. The pockets of highest levels are distributed sporadically across Ayrshire, Glasgow, Lanarkshire and small pockets in Edinburgh, Dundee and Aberdeen, as well as some small rural areas in the north and west. Amongst a range of indicators, the Deprivation Study Team utilised "Access to services" and this included road distance to a general store or supermarket. These indicators could be employed in the further research identified earlier in this section.

RETAIL DEPRIVATION – IMPLICATIONS FOR POLICY

6.29 We draw three main conclusions on the implications for policy, from our assessment of retail deprivation.

RD1 Strong, Dynamic and Prolific Sector

6.30 As noted in Section 2, and included in this section, Scotland does have a strong retail sector with a rapidly evolving economy that produces numerous development proposals on an annual basis in both town centre and out-of-centre locations. Therefore, taken as a whole, Scotland does not present evidence of retail deprivation, in terms of a dearth of activity, new formats and developments.

RD2 Accessibility

6.31 Again, as noted in other sections, one of the key implications for policy is the proximity of retail facilities for the populace. From the various surveys employed in this survey, it is clear that households select their favoured centre, based upon convenience and proximity. In addition, there is evidence of a high level of access to the use of a vehicle. Indeed, the evidence from the recent Scottish Household Survey, produced by the Scottish Executive shows that more than 80% of people find they have convenient access to grocery/food shopping whether or not they have access to a car.

6.32 The remaining questions are whether certain areas of Scotland have much greater distances to cover to access shopping, and whether they are deprived of a sound level of alternative public transport options. From information in Section 2, overall transport patterns in Scotland show that average journey trips for shopping purposes are less than 5 kilometres, which is a reasonable distance for retail accessibility, in the opinion of the study team.

6.33 However, there could be further work carried out on detailed accessibility, with particular reference to areas of higher levels of deprivation (see below).

6.34 In terms of accessibility, the implications of policy relates back to common themes earlier, but future policy should continue to promote high levels of accessibility to all sectors of the community to a choice and range of shopping facilities. In urban areas, it is obvious that future policy should seek to promote a choice of transport modes and there is no doubt that the location of future retail centres at key nodes in the transport network will be of major benefit. However, there is continuing evidence of widespread use of the private motor car, particularly for weekly bulk food shopping trips. This is an aspect for future policy reviews to look at in more detail.

RD 3 – Deprivation -Need for More Precise Analysis

6.35 An overall conclusion of this section is to suggest that there can be a more detailed geo-demographic analysis of retail deprivation in certain areas in Scotland. The Scottish Indices of Deprivation study noted above suggests that the pockets of higher deprivation might be a starting point for a future detailed study. We have mentioned CACI and other similar demographic agencies that already provide data to the Scottish Executive and perhaps these would be appropriate sources for a further close analysis of particular geographic areas. This finding links with the implication in Section 2 GC8 which recommended a rolling national survey of shopping habits. The Scottish Household Survey is already established as a regular policy-making tool for social justice issues. The study team recommends further survey work, to understand issues of retail provision and quantitative/qualitative deficiency from the shoppers' points of view.

7. RETAIL ASSESSMENT METHODOLOGY

7.1 The original client Brief questioned the role of retail capacity/impact assessments and whether they are consistently used and applied, whether there was scope for further advice and whether NPPG guidance adequately addresses the issue of qualitative deficiencies.

7.2 Throughout the study, retail data and assessment techniques were raised in a sporadic pattern across different research tasks. However, much of the input to the desk and survey research reports to the client group was from the accumulated knowledge of the study team from general practice in retail planning and also from a closer understanding of key points raised in the study consultation, particularly in the face to face interviews.

7.3 Another key source of information was previous studies on retail data and assessment techniques. This section firstly gives a summary of previous studies, secondly a report of findings from the desk and survey research and thirdly our views on implications for policy.

PREVIOUS STUDIES

7.4 The Report of Desk Research gives a summary of the 1991 Drivas Jonas report on Retail Impact Assessment methodologies for the Scottish Office Environment Department in December 1991. This was a thorough research project looking into the purpose of retail impact assessment in terms of national policy guidance and the decision maker's requirements. It concluded with a preferred methodology which suggested that national policy should reaffirm the strategic role in Structure Plans in identifying areas of deficiency. It recommended greater emphasis on the presumption in favour of continuing to provide improvements to the range and choice of shopping facilities. It suggested that local authorities should request retail assessments only where there are clear risks to existing "important shopping centres".

7.5 In addition, the Drivas Jonas report recommended that planning authorities should monitor the health of shopping centres if they are identified of being importance to the retail system. The focus of retail assessment should be contained to examinations of vitality and viability of important centres, in particular those where there seems to be a serious risk of failure. There was also a call for greater clarity on key factors which define vitality and viability and the basic steps for quantitative assessment including final impact assessment through a criteria check list.

7.6 Finally, the Drivas Jonas report recommended a need for a closer look at the nature and extent of information held by various authorities and agencies with regard to retail floorspace and shopping patterns and to consider some form of central government based uniform system of regular data collection and survey.

7.7 The second study of retail assessment methodology was a more recent study for the Office of the Deputy Prime Minister (ODPM) in England and Wales. The ODPM study was being finally drafted as the Scottish NPPG8 study was under preparation. Most of the work on the ODPM Good Practice Guide was carried out in 2002 by CB Richard Ellis. Although CBRE has not finalised the report as a complete client submission, background on the case raised the following issues for good practice.

7.8 The work included a suggestion that different assessments could relate to different Regional/Sub Regional studies, Local Area based studies and Site Specific studies. These different approaches can be subject to scoping statements which can be consulted between the commissioning body and other interested parties.

7.9 Greater focus on the relevant factors in retail assessments (and leisure assessments) can assist good practice, including various components of need defined as deficiencies in the range and choice of retail/leisure facilities, capacity for additional facilities and the need to achieve sustainable travel patterns.

7.10 Advice towards a common approach has been appraised including some of the distinctions between methods used for retail impact and leisure studies. Typical key inputs include definition of study parameters, surveys of existing provision, understanding the performance of the local retail network, assessing the capacity for change and implications for policy. The ODPM work has continued, to look at a step-by-step process. It is understood that work on this study has now reached completion and it is suggested that the ODPM Good Practice Guide would be a useful general source for practice north of the border.

FINDINGS FROM DESK AND SURVEY RESEARCH

7.11 Other sources engaged for the current study included an important background legal decision in relation to a Scottish retail case. The City of Edinburgh decision (House of Lords: City of Edinburgh Council v. Secretary of State for Scotland Session 1997/1998, Lord Clyde and Others) involved a food superstore at Colinton in south Edinburgh. Although the final decision related to many specific elements of the case in question, the fact that it reached the House of Lords for a decision on the accuracy of a decision by the Secretary of State for Scotland gives it increased importance. Full details of the case are reviewed in the Report of Desk Research to the client group. However, the important points were the findings by Lord Clyde, that one of the material considerations in the case was the attention to quantitative deficiency and need. In relation to retail need, Lord Clyde concluded that need, in his view, was:

7.12 '*the kind of necessity which would, for example, justify the sacrifice of some amenity for the purpose of the development*". However, he accepted that "*quantitative deficiency is a concept different from that of need*". He went on to analyse quantitative deficiency within the evidence available from the Colinton case. Whilst this necessarily involved the particular Structure and Local Plan policies and criteria checklists to be applied in this case, he concluded that quantitative deficiencies can be assessed by:

- trends in consumer expenditure;
- expenditure reflected in the turnover of the available shopping facilities;
- comparing the amount of shopping facilities and the amount of customers in the area;
- reference to stores in the area trading at a level which is above what would be expected of them.

7.13 However it was expected that the inputs and figures adduced to prove these various aspects of quantitative deficiency can lead to dispute, but the decision maker would have to rely upon the available evidence produced. The only danger, in legal terms, would be for a final decision to be rested upon judgements entirely at the decision makers' instigation, without the benefit of any evidence at all.

7.14 From this judicial case and other sources, the 2001 book "Scottish Planning Law and Procedure", (Jeremy Rowan Robinson and others) addresses the question of need. This source suggests that lack of need for a particular development is not a planning reason which would normally support a refusal of planning permission. In the Hambleton District Council case, the decision was made on the basis that an applicant for planning permission did not have to justify an unobjectionable proposal. Rowan Robinson *et al.*, continue with the example of the prevalence of several betting shops in an area not generally providing a basis for refusing permission for a further betting shop and reference to one Reporter's conclusions which stated *"interference with normal commercial competition is not a proper function of planning control*". It is suggested that need should be proven in exceptional cases where a strong policy of constraint is in operation to prohibit further development because of possible harm to interests of acknowledged importance. However in conclusion, Rowan Robinson *et al.*, use a phrase in NPPG1 (and now repeated in SPP1) that "*planning policies and decisions should not prevent or inhibit development unless there are sound reasons for doing so"*. From this, the authors conclude that "*in Scotland an applicant should not, as a matter of policy, have to justify an unobjectionable proposal".*

7.15 Perhaps the above detailed legal analysis leads us away from the original question of retail impact and assessment methodologies. The study team in this case believe that various questionnaire responses reported elsewhere, discussion group feedback and individual interviews have shown that NPPG8 is considered to be unclear in the context of retail need, retail capacity and retail impact assessments. The study team believes that available information from previous studies and important decisions and analysis by those more closely connected to legal procedures give us the following conclusive points:-

1. Unless there is clear evidence of demonstrable harm to acknowledged planning interests of importance, there should be no automatic necessity to prove the need for retail and associated development.

2. Need can be distinctly separated from quantitative deficiency. The latter can be helpfully addressed by looking at consumer expenditure levels and retail floorspace provision to assess overall balance and whether there is evidence of high levels of trading for particular retailers in any particular area.

3. Quantitative deficiencies can be taken as a material consideration to be assessed by any planning decision maker as part of Development Plan policy or as part of a material consideration.

4. Studies of retail assessment techniques conclude that it can be helpful on an area wide basis to assess overall expenditure and provision levels in order to assess overall levels of capacity and to inform policy and planning decisions.

5. Quantitative deficiency should not be considered in isolation, and arguably greater weight should be attached to qualitative deficiency and impact.

7.16 As well as these legal sources, the study has also identified various references to retail assessment methodology. In the review of literature, in particular commentary by planning professionals, a recent article on the issue of retail capacity points to the fundamental problems with assessment methodology. This covers issues such as retail capacity assessments not reflecting what is taking place within the market place and the requirement for very accurate data. Retail capacity relies very much on average turnovers. However when it comes to different retail sectors there can be huge variations between average rates. The retail capacity assessment is based upon existing patterns of flow. The assumption has to be made that the patterns will remain constant or the figures have to be amended to plot future patterns. However due to the nature of the retail market it is constantly changing and very dynamic and therefore future patterns cannot be guaranteed. "In terms of assessing new development retail capacity offers very little. What is suggested is that retail capacity needs to be used with a number of other information such as health check indicators."[15]

7.17 In the GVA Grimley launching of Retail Development Report for the Scottish Office one of the findings was that NPPG8 not only applies to retail development but other forms of development and this needs to be recognised[16]. In particular not only retail impact assessments have been produced for mixed used schemes but there has also been a requirement for leisure impact statements. Problems have arisen however when it comes to leisure impact statements due to major leisure proposals, for example, a multi-plex cinema not being defined in planning guidance or legislation. The result is that information has to be used from consultants in England[17].

7.18 Turning to another area of our research, the review of Development Plan policy and a selection of important planning application and appeal decisions; there is clear evidence that local authorities are preparing Development Plans on the basis of retail studies undertaken in their local area.

7.19 Such studies often refer to the "capacity" for additional retail floorspace over the lifetime of the relevant Development Plan. A prominent example is the Glasgow and Clyde Valley Structure Plan,

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[15] Hargest, K. "Retail Capacity and the Need for New Retail Floorspace". Scottish Planner, June 2003
[16] GVA Grimley, "Monitoring of Retail Developments", Development Department Research Programme, Research Findings No. 60, 1998, The Scottish Office Central Research Unit.
[17] Baxter, A., "Leisure Impact Statements", Scottish Planner, April 1999

the retail policies within which are substantially founded on a large scale capacity study across the Structure Plan area. Similarly, at the local level there is much evidence of Local Plan retail policies emerging from retail studies which set out a capacity assessment across the Council area (e.g. Angus Council, Perth & Kinross, Dundee City). This approach is in line with paragraph 84 of the NPPG, although there is evidence that local authorities are interpreting the issue of 'deficiency' as quantitative need for additional retail floorspace over the plan period, with a limited reference to qualitative considerations in the form of health checks (as envisaged at paragraph 27 of the NPPG).

7.20 In relation to decisions, there is a substantial body of evidence to suggest that the "deficiency" criterion in paragraph 45 of NPPG8 has been interpreted as necessitating a demonstration of capacity or need, in quantitative terms, for additional retail floorspace in a catchment area (B&Q, Halbeath, Dunfermline). There is also evidence in the decisions of planning authorities that failure to demonstrate quantitative capacity for additional floorspace is sufficient to justify refusal, even in situations where impact on vitality and viability is not proven to be unacceptable. There are inconsistencies between the interpretation of the deficiency criterion and in particular the importance of understanding deficiency in both quantitative and qualitative terms. There is also some confusion surrounding the relationship between the deficiency criterion and impact and further clarification on this issue, possibility through best practice guidance, would, in our judgement, be welcomed by both operators and practitioners.

7.21 There is no clear common ground in relation to the issue at paragraph 45 of the NPPG which states "*where there is considered to be no requirement for further developments, additional sites should not be identified in the Development Plan".* This is interpreted by most local authorities as justifying assessments of the capacity and qualitative need for new retail developments in their respective catchment areas. Concerns are expressed on behalf of retailers and developers, however, that this statement represents the need to justify both in-centre and out of centre proposals, in conflict with the broad policy thrust of the NPPG to strengthen town centres. This issue is further re-established in paragraph 49 of the NPPG which requires "all applications for major retail development over 2,500 square metres gross retail floorspace" to be supported by retail assessment information. Structure Plans have strictly interpreted this requirement (Clackmannanshire and Stirling Structure Plan, Clackmannanshire Local Plan).

7.22 Other points emerging in relation to retail impact are summarised as:

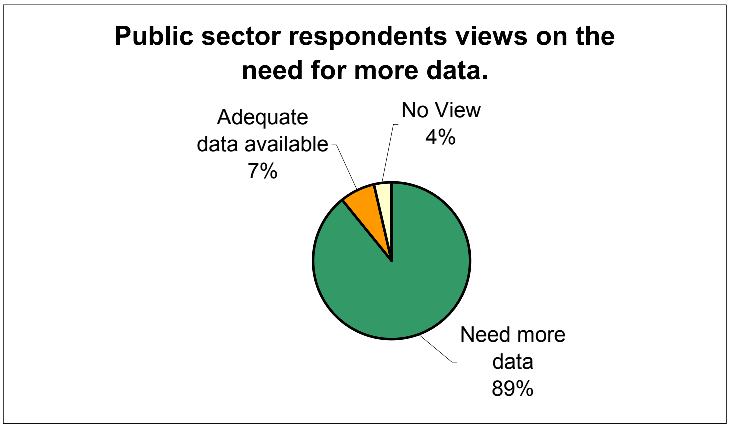
- overall health of existing centre and its relevant vulnerability is a key consideration in understanding the implications of impact (B&Q, Halbeath, Dunfermline);
- the "like competes with like" principle being consistently applied, and significant impact upon a particular sector within an existing centre of limited material weight if that sector is of limited importance to the overall functioning of the centre (B&Q, East Kilbride; Cuckoo Bridge, Dumfries);
- the potential for retail units within an existing centre to close as a result of a new development is not, in itself, a justification for refusal if the proposal would enhance the retailing function of the centre as a whole (Port Glasgow).

7.23 From the review of transportation issues from CBP, it is noted that there is recent guidance on Transport Assessments at a national level but this does not give detailed consideration on particular issues relating to retail studies. There is a need to ensure that any retail and transport assessments are co-ordinated where possible. This is usually difficult because a retail assessment is concerned with transfer of spend from different catchment zones, whilst transport assessments generally are person-trip based and typically use gravity type formulations to predict trip generation. There is very little data on trips that combine multi-use facilities, or between different facilities within an urban area, and on the nature of retail trips to new developments, i.e. whether these are new or transferred trips. It is suggested that further research into these areas would be appropriate.

7.24 Relevant points from our questionnaire survey research include the public and private sector questionnaires, where respondents raised various issues in relation to retail assessment methodology. Key points from the **public sector questionnaire** were:

- The most direct response was part of Question 13 where the public sector respondents were asked whether there could be improvements in data sources to help assess retail/commercial development in town centres. An overwhelming 89% felt that more data was needed to assess these situations (Table 7.1 below). Only 7% believed there was adequate data available. From this, clear evidence that those involved in planning authority policy making and decision taking, require better level data for their activities (this is investigated in more detail in Document 1).

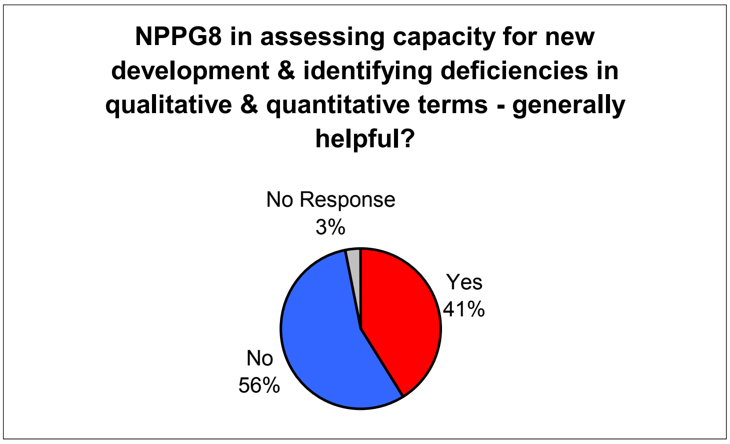
Table 7.1 The Need for More Data.



- In giving responses on the possibility of status being applied to new centres out with traditional town centres, a number of respondents referred to the need for a clearer policy on allocating planning status to particular centres, in order to assist with retail assessments for capacity and impact purposes (Section 3 gives details).

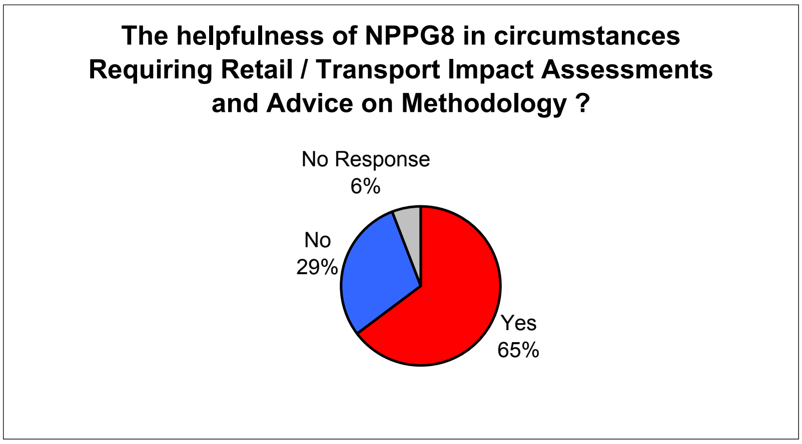
- Only 40% of public sector respondents found the guidance clear and instructive on qualitative/ quantitative deficiencies (Table 7.2). More than 50% of public sector respondents believed that the guidance was not very helpful on assessing scope/ capacity for new development and identifying deficiencies on qualitative and quantitative terms.

Table 7.2 Qualitative & Quantitative deficiencies



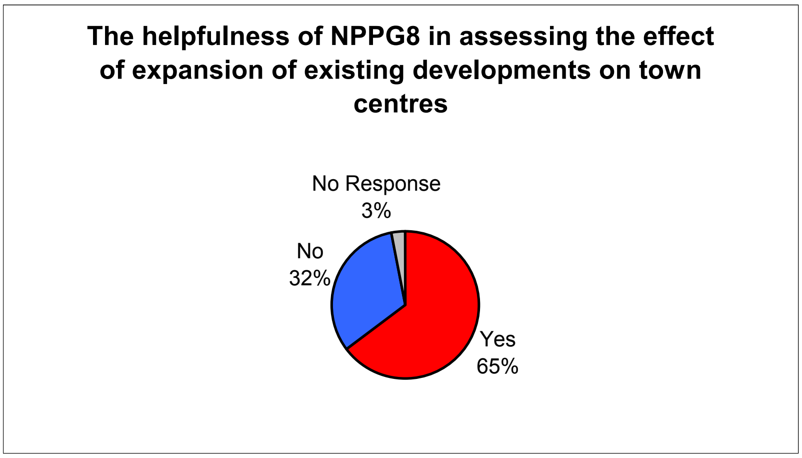
- The public sector respondents were generally satisfied (65%) with the helpfulness of NPPG8 in circumstances requiring retail/ transport impact assessments (Table 7.3).

Table 7.3 Retail / Transport Impact Assessments



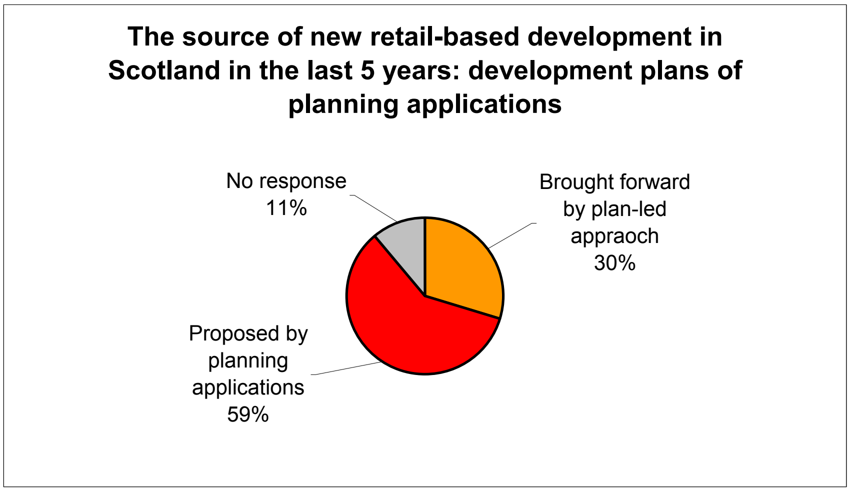
- Respondents were asked about their views on the guidance in respect to testing the expansion of existing developments. Two thirds found the guidance helpful in this regard (Table 7.4).

Table 7.4 The Expansion Of Existing Developments



- It is interesting to note that nearly 60% of public respondents found that the retail development in their area in the last 5 years had primarily been made by way of planning applications, rather than led by development plans (Table 7.5 below). This suggests that there is still an onus on the applicant to justify new retail development by way of retail assessment, particularly if this is planning application led, rather than through quantitative assessments in development plan policy and town centre strategies.

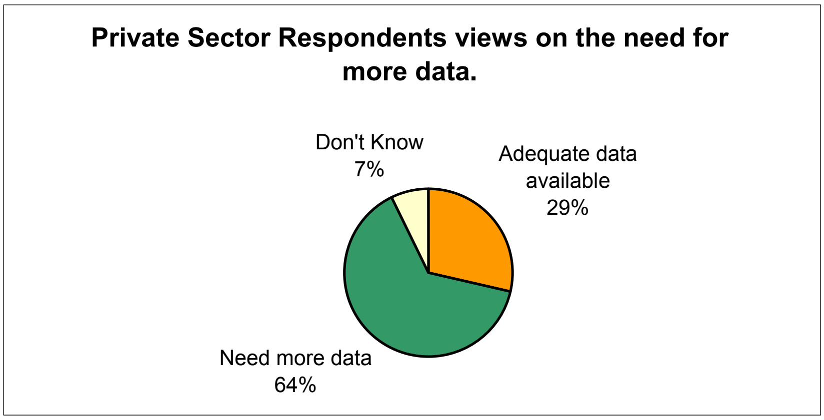
Table 7.5 The Source of New Retail Development



7.25 From the survey of **private sector practitioners** there were mixed views.

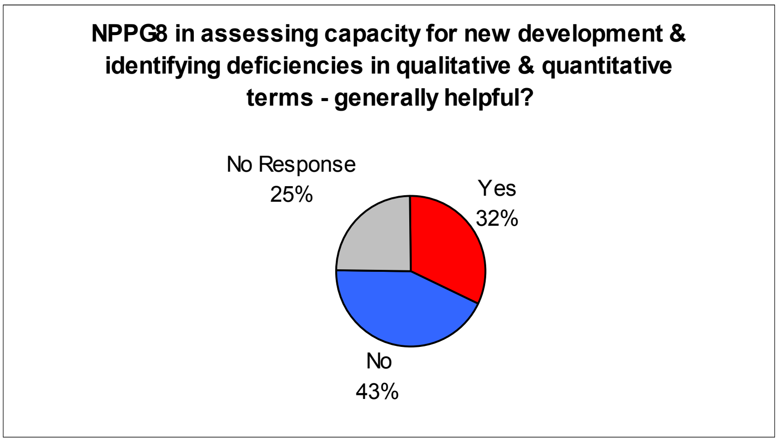
- In response to Question 13 on whether there could be improvements in data assessments to help assess retail/commercial development, less than 30% felt that there was adequate data available and a significant 64% suggested there should be more data available (Table 7.6). Further opinions added in the questionnaire specified key topics: site availability, floorspace, household surveys, retail capacity, turnover, consumer spending and the land use character of different town centres. Several respondents called for more unbiased data to be collected and processed by central and independent sources.

Table 7.6 The Need for More Data



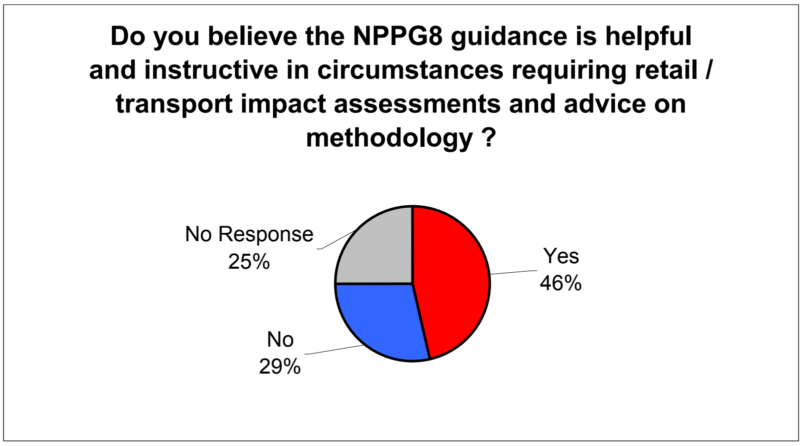
- Only 32% of private sector respondents found the guidance clear and instructive on qualitative and quantitative deficiencies and more than 40% believed that the guidance was not very helpful on assessing scope/ capacity for new development and identifying deficiencies on qualitative and quantitative terms. A quarter or private respondents gave no response (Table 7.6).

Table 7.7 Qualitative & Quantitative Deficiencies



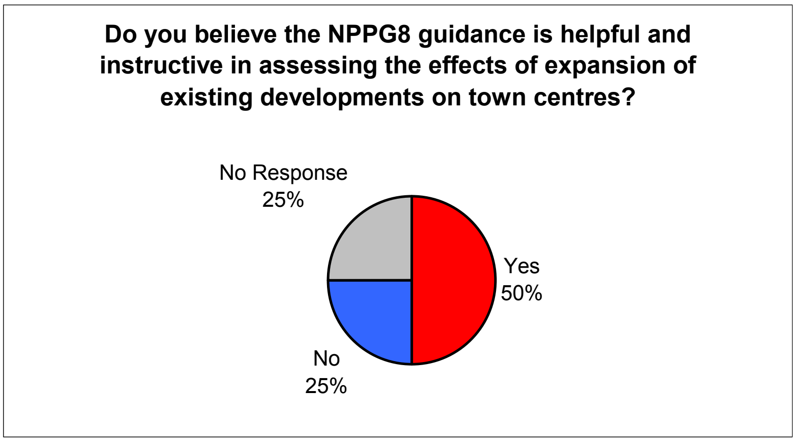
- The private sector respondents were less satisfied (46% found the guidance helpful) than public sector respondents with the helpfulness of NPPG8 in circumstances requiring retail/ transport impact assessment on a combined basis. (Table 7.7) Less than a third of private respondents found the guidance unhelpful. However, again, a quarter of respondents made no response.

Table 7.8 Retail / Transport Impact Assessments



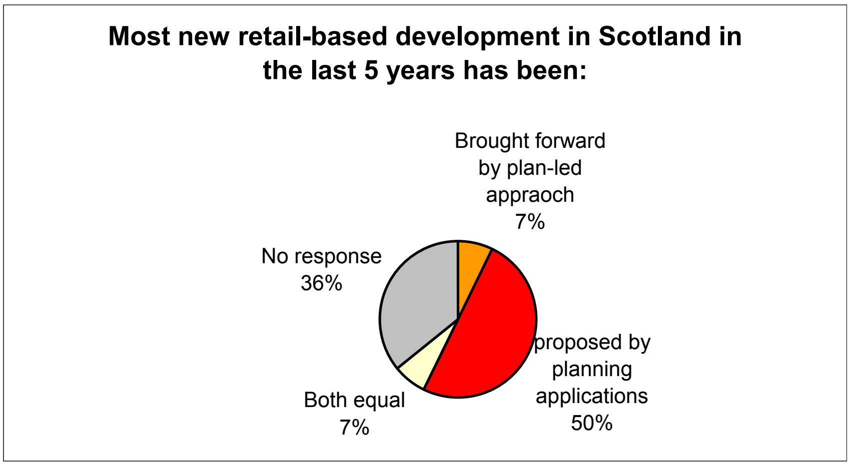
- A half of respondents found the guidance helpful in respect to testing the expansion of existing developments (Table 7.8 below).

Table 7.9 The Expansion of Existing Developments



- Private sector respondents were asked their opinion on whether most retail development had been made by way of planning application or development plan. The most remarkable outcome from this response was that only 7% of private respondents felt that development had been brought forward by the plan led approach (Table 7.9). Although there was a high 'no response' rate, 50% felt that development had been planning application led.

Table 7.10 The Source of New Development



7.26 From the **discussion groups and interviews**, it was apparent there were concerns in relation to quality of retail data available and the possible need for some kind of national survey. It was also stated that town centre strategies were absent in most local areas and these should be given greater prominence. There seemed to be confusion between deficiencies in qualitative and quantitative terms and some concern that local authority policy was increasingly based upon capacity assessments – to a greater extent than envisaged by NPPG8.

7.27 Some local authority representatives had concerns about an over reliance on private sector generated data and possible bias in retail studies. Differing opinions were noted on whether there is a requirement for a need/capacity test. Public sector participants believed a broad based capacity approach is necessary, the private sector would prefer capacity to be one of a number of wider criteria.

7.28 Specific points from interviews again included difficulties encountered by local authorities in defining an appropriate larger retail study area (when local authority boundaries do not necessarily match up to these retailing areas). Again, matters of reliable independent data were raised. Another key issue which helps to inform retail assessments is the list of centres which are considered to be of importance and the attributes presented by each centre, to help to define its position in the hierarchy. Interviewees also drew attention to the question of need and made reference to the Lord Clyde decision referred to earlier in this section; and how this has assisted in clarifying the position in relation to Scotland, where quantitative deficiencies can be assessed, but as part of a broader set of criteria.

7.29 There was a general view that there needs to be improved guidance on qualitative factors in defining important centres, vitality and viability and the actual meaning of a forecast impact on any centre.

INPUTS AND METHODOLOGY

7.30 During the course of the study, the comprehensive reports of Desk Research and Survey Research included various detailed sources. One key source was an assessment of retail appraisal techniques, including the key inputs and methodologies commonly used. Two schedules were presented to the client group. The first was a schedule of key inputs and the second a schedule of methodologies. This was compiled from the collective experience of the research study team. These schedules are reproduced in Appendix 4 to this report.

7.31 Appendix 4 includes Table 7.10 on the key inputs including catchment area, population, test years, expenditure, floorspace and turnover issues.

7.32 Table 7.11 in Appendix 4 is a schedule of basic methodology which goes into more detail on how to approach the study area, surveys of catchment areas, modelling expenditure scenarios, general capacity and measuring impact.

7.33 As a result of these schedules of key elements used in retail assessment, we are able to draw the summary points set out below, by way of the six key issues in this study.

RETAIL ASSESSMENT METHODOLOGY AND DATA SOURCES – IMPLICATIONS FOR POLICY

- In relation to Issue 1 on General Retail Trends, it is vitally important for up to date reliable data sources to be available throughout Scotland on population levels, demographic change, expenditure levels, expenditure growth rates and surveyed patterns of household shopping behaviour. In addition, data sources on the performance of different retail centres, floor space levels and turnover can also be very useful in the analysis.

- In terms of Issue 2 on the Definition of Centre, it is becoming increasingly important for retail assessments to rely upon an accepted planning context (ideally through the development plan) and which retail locations are considered to be of importance to land use planning interests in any particular Local Planning Authority area. ‘Centres of Importance’ was also raised as a critical issues in the 1991 Study of Retail Techniques and it continues to be a vital input to a meaningful final analysis of capacity for growth and impact levels. For example, the severe impact level on a freestanding superstore might be considered fair market competition; but a new freestanding retail facility which is proposed to have major impact on its competitors who are located in central positions in an important town centre, requires a careful appraisal of impact.

- Issue 3 involves the sequential approach and retail assessment methodologies have to be linked to appraisals of other alternative sites which might be more suitably located in planning terms to serve an established centre more effectively. Another connected point here is the prospect of ‘internal impact’. A number of commentators have raised the important point that, once a proposed retail scheme is accepted as being well located to contribute to the future vitality of a recognised centre there should be no need to over analyse the quantitative impact this has on the rest of that centre. This suggests that assessments of sequential location should precede requests for lengthy analysis of retail capacity and impact.

- Issue 4 deals with support for new development locations and in this context, links with the comments on the sequential approach above. It is important to note that bringing forward new sites as part of planning policy and town centre strategies can only help to obviate unnecessarily detailed retail assessment.
- Issue 5 on retail deprivation and access to retail facilities might become more relevant in future retail assessments. Many believe there could be improved guidance on the linkage between retail and transportation/ accessibility assessment. In view of other comments in this section on the selection of relevant/ important centres, it is likely to become more relevant in future to look at the impact of retail proposals, in terms of bringing improved retail facilities to more deprived areas of Scotland.

7.34 Issue 6 is the specific topic of retail assessment which relates to retail assessment methodology and we summarise our findings in the following paragraphs.

7.35 NPPG8 guides local planning authorities on the preparation of development plans and town centre strategies, with clear reference to the employment of retail assessment techniques:

"In preparing development plans, planning authorities should take account of the broad forecasts of retail demand, deficiencies in retail provision (if any) and how the retail sector is likely to respond to that demand over the plan period, by reference to location and type of retailing" (Para. 84 NPPG8).

7.36 The above guidance is linked to the encouragement of planning for development and change (para. 86) and the need to monitor retail developments, at para. 91.

7.37 In its guidance on the assessment of new developments, NPPG8 contains a requirement that developers prepare information to assist the authority in its assessment of the proposed retail development (linked to the criteria tests in Para 45 of NPPG8):

"In making an assessment, a broad based approach should be adopted. It should rarely be necessary to attempt detailed calculations or forecasts of retail growth or of changes in the geographical distribution of retailing, as even small variations in assumptions about trends in turnover, population, expenditure and the efficiency of use of existing retail floorspace can lead to wide range of forecasts. Parties should where possible agree data and present information on areas of dispute in a succinct and comparable form" (para. 50 NPPG8).

7.38 The two extracts above suggest there is a useful purpose in employing retail assessment techniques, but a risk in over-reliance on excessive detail, due to their inexact nature and employment of subjective judgement. The headings below draw our conclusions based on reliability, appropriate content / circumstances and suggestions for improved inputs.

Reliability

7.39 Retail assessment methodology will always be vulnerable to inexact outputs, due to the nature of the input raw data and the analyst's judgements.

7.40 The material earlier in this section has shown how the combined inputs of study area definition, expenditure, growth, turnover, and modelled future scenarios all lead to an inevitable divergence of possible outcomes. In addition, the analyst can employ a variety of methodologies, which can add to the variety of results.

7.41 However, with an understanding of the necessary cautions on retail assessment techniques, planners can still employ the methodology in order to create a quantitative framework which can act as one of the determining factors in forming development plans/ town centre strategies and in helping decisions on applications/appeals.

7.42 Planning policy formulation and planning decisions are commonly undertaken in a context of differing opinions/ interpretations on the key issues. There is some expectation that retail assessment should secure a fixed assessment based upon quantitative inputs, which are beyond question. The study team believes this is unrealistic in a planning context where all decisions are based upon a finely-balanced judgement on the relative merits of differing schools of thought. On the other hand, it is unreasonable to expect all retail planning decisions to be made in a vacuum, with no information on the balance of expenditure, turnover and floorspace in the relevant local area.

7.43 Our conclusive recommendations below attempt to sharpen the focus of retail assessment by looking at the appropriate purpose/ circumstances for a retail assessment and to look at scope to improve the inputs to the process.

Appropriate Purpose / Circumstances

7.44 Inputs and methodology are examined in detail earlier. There is concern in planning authorities and amongst the retail sector that the planning system can over-labour the process with inappropriate requests for analysis. Here, we are suggesting the appropriate purposes for retail assessments:

1. Quantitative Capacity – from the findings of Lord Clyde in the Colinton House of Lords case, the basis of NPPG8 para. 84 above and the feedback elsewhere in this study, it is clear that broad assessments of the scope for new floorspace (by looking at the balance of existing/forecast expenditure and turnover) can assist in gauging quantitative deficiencies and the case for new floorspace. However, from Lord Clyde, SPP1 and other legal references (Rowan Robinson et al), it is apparent that a case for the assessment of quantitative capacity is not necessarily also a place for a presumption against all retail development unless an over-riding need is proven. National planning policy in Scotland makes it clear that a need does not have to be proven for an unobjectionable proposal. From this we suggest that retail assessments of quantitative capacity are appropriately placed to assist:

   - Development Plans – in exploring a broad framework for an area's current and future expenditure levels, surveyed shopping habits, turnover levels and scope for floorspace growth. This should be done with regard to the dynamics of retail change, which can be measured by survey and from other data sources and in consultation with the retail sector.

   - Town Centre Strategies / Interim Assessments – if the development plan has not been prepared with a parallel strategy for the centres in the area, or if current trends are suggesting that the development plan is becoming dated, a town centre strategy or interim appraisal might be required and a quantitative capacity exercise will be appropriate.

   - Case for a Proposal – evidence from Document 2 of this study shows from the reports of our surveys that a high proportion of respondents believe that most retail development has not been brought forward by the development plan in the last 5 years, it has been planning application- led, in response to developers' perceptions of market demands, retailers' knowledge of popular formats and shoppers' demands. Therefore there must be an appropriate place for quantitative capacity assessments in the demonstrating the case for new retail proposals.

2. Quantitative Impact – our second recommendation of appropriate circumstances for the use of retail assessment is to link the quantitative capacity assessment through to an assessment of the changes to the turnover levels of existing, committed and planned floorspace. This is commonly referred to as retail impact testing, but there is concern that retail impact assessments can fall short of a full and informative picture, or that they can be inappropriately targeted. It is our conclusion that impacts should be tested against a clear and well informed, up to date policy context on those retail/mixed use centres in the area, which are considered to have important status for good planning reasons. It is less relevant to have concerns about the impact of one freestanding store on another, and it is questionable whether an increase in floorspace at one location in an established centre should be tested for its "internal impact "

on other floorspace in the centre. We suggest that quantitative retail impact assessment is an appropriate tool for:

- Testing Retail Strategy – linked to the point above on development plan and centre strategies, it can be useful to model the impact of possible floorspace/turnover growth scenarios on existing floorspace. This context is also relevant for questions of whether an unusual amount of turnover increase in one centre might upset the local retail system, through its competition with other centres. This might lead to some consideration of whether this is a level of "upset" worthy of planning concern, or "market change" best left to the market and to the natural forces of competitive place which prevail between centres (see interpreting impacts below).

- Case for a Proposal – where the proposed new location is not within, or well related to the identified/protected locations in the policies. It will be relevant to assess whether the new facility causes a challenging change for the centre – or a harmful impact upon it (see below).

- Interpreting Impacts – assuming the retail assessment has been employed with the purpose and circumstances noted above, the end result will face the planning policy / decision maker with a judgement on the impact resulting, and whether this is an impact which is better interpreted as a competitive challenge, or an impact which is raising concerns on planning interests of acknowledged importance. The following criteria will be important in this judgement:

- List of Important Centres - noted in the approved / adopted policy for the area, in order to focus on those impacted centres which are relevant in planning terms, and appropriate cases for closer investigation of the impact;

- The "Category Exposure" - of the impact e.g. is it an impact of convenience turnover on the convenience turnover of the centre? – if so, is the impacted convenience turnover of the centre the mainstay of its overall turnover, or a small fraction of a much larger non-food retail presence? Other variations can be the impact of a furniture-only store on a centre that has a broad range of retailers and is not solely reliant upon furniture retailers.

- The Health of the Centre - is a key consideration and should be assessed through a detailed appraisal of evidence on the vitality and viability of the centre. This might lead to evidence that the existing centre is frail or failing, due to the absence of the kind of retail facility as proposed outwith the centre. Alternatively, it might reveal a healthy centre that can sustain impact.

- Impact as One Consideration – the final judgement will have to take the identified impact and set it alongside various other issues such as the likelihood of the proposed format being accommodated in the centre, the possible land use, economic, transport and other benefits of the tested proposal, etc.

3. Qualitative Issues – a factor of equal importance throughout all retail assessments should be a parallel analysis of qualitative aspects which affect retail patterns in the urban area and vitality and viability of centres. Vitality and viability indicators are clearly set out in Figure 1 of NPPG8 and these arise from previous research which has assessed appropriate indicators for the measurement of town centre performance. In addition, further measurements are employed by town centre managers and chambers of trade.

   Furthermore, as noted elsewhere in this study, the qualitative aspects of household shopping habits are increasingly important, in the view of the research team. Regular surveys can reveal details of the shoppers' attitudes towards retail offer in the existing centres, the depth and range of goods, the level of ancillary services and other keys factors which affect the quality of the centre, such as car parking provision, environment, late hours trading and other factors.

   These qualitative aspects all link back to some original themes in the 1998 issue of NPPG8. From paragraph 28 onwards, there is a clear reference to the use of indicators to show whether a centre may be at risk and the importance of responses which make better use of resources and address major deficiencies. A multi-disciplinary strategic approach is recommended which "*should aim for a realistic vision for the centre, drawing on the support of all interested parties and an action programme that mobilises resources and promotes effective town centre managers*". Particular attention should be drawn to the availability of development opportunities, land assembly, diversity of uses, transport, attractive environment and effective management and promotion of the centre. Improvements in quality and competitiveness are favoured, over policies which seek to preserve the present shopping hierarchy.

These are all important qualitative aims and they link to the preparation of a town centre strategy which, elsewhere in this report has been highlighted as a key area for improved policy guidance and enhanced levels of activity amongst the public and private sector alike.

In summary, the research team concludes that further guidance should be prepared on town centre strategies, site development opportunities, measuring qualitative aspects and the overall importance of vitality and viability in the assessment of impact on key centres of importance. In addition to a clearer focus through the quantitative approach, it is suggested that improved inputs on the quality side of the equation will improve final decisions and policy -making.

Improved Inputs

7.45 The preceding points have looked at what retail assessment should involve and when it should be deployed. The Institute for Retail Studies has carried out detailed work on retail data requirements. IRS believes that the data available for the understanding of Scottish Retailing is inadequate. At its most basic, policy is being proposed for retailing without any true understanding of the sector and its dynamics. We do not know accurately how many shops there are in Scotland, how they are performing or how their performance has changed over recent times.

7.46 This is not to say that data are not present in the system as planning authorities, consultants and academics have carried out various research activities over time. Official data sets have some of the data which could help our spatial understanding of the retail sector dynamics. Health checks are meant to be performed by town centre managers on a regular basis. Public inquiries and other major applications for development have associated impact and other studies. However, there are a number of problems in collating data from these sources such as coverage, inconsistency, confidentiality and availability.

7.47 The cover of Scotland in terms of surveys is incomplete. Different questions asked and the ways in which they are asked differ and are often inconsistent. Many consultancy reports are confidential including some officially collected data which is deemed commercially sensitive. In some instances, data are not available for the study or have a large price tag or, in some cases, are routinely destroyed after their immediate purpose has been served. If nothing else, it would suggest that there is a large degree of duplication and waste in the system and value for money is not being obtained at the national level.

7.48 IRS make a number of suggestions to help the situation, to gain a better understanding of the retail sector in Scotland:

- serious consideration should be given to the reinstatement of a Census of Distribution for Scotland. This would be legally enforceable and provide the sort of data that, until 1971, guided our understanding of the dynamics of change and retailing.
- IRS suggests that the Scottish Executive should fully fund the GIS developments being undertaken by the Centre for the Study of Retailing in Scotland (CSRS – HTTP://www.csrs.ac.uk/) which will provide an accurate benchmark for knowledge about the retail sector.
- A fixed agreed timetable and standard of data collection for town centre health checks should be proposed and monitored. Results of the health checks should be published and the raw data should be archived. Local Authorities should also be

encouraged to follow set data collection approaches for their own areas when commissioning surveys and again they should be responsible for archiving raw data.

- Central collation of these various studies in a repository would be beneficial to our understanding of the sector in Scotland. Impact assessments, town centre healthchecks, consumer surveys etc could be made centrally available, possibly via the CSRS or other independent bodies.

7.49 From the review in this section and drawing from the interviews, surveys and discussion groups; the points below highlight some of the important inputs to the process and how they could be improved, in order to sharpen the focus of retail assessment:

7.50 Floorspace – there are problems with reliable data on retail floorspace in existing centres. There could be more research done on how planning authorities might be required to utilise Assessors' records and to mount a local survey (say every 5 years) to update on local convenience, comparison and other commercial floorspace in centres. Proposed new floorspace should also be centrally recorded when proposals are made, consented and built.

7.51 Turnover – depending upon the methodology used, turnover can either be an output of looking at modelled flows of spending, or calculated by applying a turnover density to unit floorspace. Either way, it is useful to have some national or area-based core data on average shop turnover per sq metre. Unless a fresh Census of Distribution is investigated by government, this kind of data is restricted to national agencies analysing the company reports of the larger retailers. But there is also a need to try and record local levels for independent shops. It would assist if national policy placed a requirement (rather than an expectation) on local authorities to carry out some interim sample surveys to seek information on local trading performance. This would have to allow for the fact that each trader has the right to maintain confidentiality but it could use bracketed averages and invite retailers to record the general band which they trade within.

7.52 Surveyed Flows/ Dynamics – judgements about the flow of trade draw and the market penetration of a retail facility are best informed by a recent record of surveyed patterns of household shopping. Retail assessments should be encouraged to employ this evidence, in order to inform the trade flow judgements and assist in the impact modelling of trade diversion. If this became a requirement of national policy, it is likely that a number of survey companies would look in detail at carrying out such surveys on a regular basis and making the data available to authorities and consultants for the purpose of retail analysis.

7.53 Critical Centres/ Relative Roles – as noted throughout this section, there is an increasing level of confusion regarding the rather "monocentric" presumption in NPPG8 where it is assumed there is only one single centre in any area. Many believe that guidance should be requiring a look at "polycentric" retail systems and encouraging a more modernised look at the various retail-based locations in the urban area, and the relative status of each location or centre. This would allow a sift of those centres which are afforded greater status and therefore protection for sound planning reasons, and a clearer focus can be placed on the use of retail impact results.

7.54 Impact Focus – once the relevant "impact centres" are clarified, it would assist the process if the guidance noted the different ways in which impact can impinge on a centre. As noted earlier, the category exposure of the impact is important, whether the recorded level is an impact on the centre as a whole, or on only one stratum of the overall turnover.

7.55 Vitality / Viability – another key impact focus is the actual evidence of strength / weakness of the centre itself and this can be assisted by vitality and viability measurements. These are itemised at para. 27 of NPPG8 and other research studies have expanded on their measurement and relevance (The URBED 'vital and viable town centres' study followed the publication of PPG6 and various other articles and studies have referred to measurement techniques).

7.56 The various measures detailed in Figure 1 at Paragraph 27 of NPPG8 are still very relevant and useful. However, we suggest that further best practice guidance on vitality/ viability indicators could be useful in future impact assessments and Town Centre Strategies, in particular for the promotion of centrally located sites and expansion opportunities in the relevant centres.

7.57 An overall conclusion from the above appraisal is the opportunity for Scotland to embark upon some form of national geographic database, to capture some critical information on the location of retail, Class 2 and Class 3 uses, their special characteristics, size and pattern of distribution. Efforts are being made to break ground on this kind of data capture through IRS. Recent work has completed a comprehensive geographic information system and it is suggested that further advances could be made through GIS, as an overall framework to gather spatial characteristics of the retail sector. Ultimately, this kind of data will be as important as national basic data inputs, discussed above.

7.58 Scottish Retail Planning Sources – all of the above points of clarification suggest that improvements in detailed inputs will help future retail assessment. In addition, it is suggested that, at a national level, it should be possible for the Executive to try and collate a central library of retail source material. Although this would have a funding/resourcing implication, it would serve to improve the quality of analysis of one of the most dynamic and important sectors in the Scottish economy. It might be possible for a central data source to be collated independently through an academic body, or a data agency and the study team encourages consideration of the recommendation above, that the CSRS be approached to collate central data and to build on its existing on-line bibliography. The kinds of information that could be stored, accessed and analysed include:

- a required spare copy of each retail assessment presented with a planning application / appeal.
- copies of household surveys carried out in support of policy reviews or retail proposals.
- returns from planning authorities on retail floorspace being proposed, permitted and rejected.
- floorspace, turnover and any other source material from update surveys.

7.59 It is likely that the controls for requiring this data will have to be appraised. Local authorities would probably need to be formally required to contribute the information and some retail developers could legitimately claim the information as their own possession. But the general idea behind this suggestion is based on data which is placed in the public domain through consultative policy making and decision taking, but so easily lost into obscurity after the exercise is complete.

7.60 This is the limit of our desk research and general advice on retail assessment methodology and input data. We are aware that the broad range of this study and its focus on the main NPPG8 issues has limited the discussion of retail assessment issues. It will prove useful for further work to be done on the suggestions raised above and the forthcoming finalised CBRE Good Practice Guide on Retail Methodology for the ODPM should provide a useful source. In addition whilst IRS has contributed to this section on retail data sources, it has various other ideas for useful sources and collation of information, which could be expanded in further work.

7.61 A final comment on the limits of this study is on the absence of a specific look at using similar quantitative methodologies for the assessment of other uses that are considered to be important in town centres. The boom in commercial leisure activity has seen the sequential approach coming into play and some efforts to give a broad indication of market potential for the likes of multi-screen cinemas, but they have not been subject to the same detailed inputs and analysis as retail uses. Likewise, some believe that other commercial functions such as offices/business use should be encouraged in town centres, but there is no established methodology to look at capacity and impact in this context. We believe that other responses shown in Document 2 of this study are important primary sources, which show differing views on the importance of other non-retail uses in centres. It will be more important to form a general policy view on these uses, before attaching a general requirement for capacity and impact testing.

RETAIL ASSESSMENT – SUMMARY OF IMPLICATIONS FOR POLICY

7.62 The assessment set out above in the paragraphs on reliability, purpose/circumstances and improved inputs gives a detailed overview of the study team's views in terms of implications for future retail policy at national and local level. The headings below summarise our main findings on these implications.

RA1 - Centres of Importance

7.63 A repeated theme throughout this study has been the need for a fresh approach to all the centres in a given urban area and a survey approach which selects the centres of importance to future urban planning. This point was made in the 1991 Drivas Jonas study and it is equally important today. Retail assessment techniques and impact assessments are much better informed if it is quite clear which shopping centres are being analysed as potential recipients of the effects of retail impacts.

RA2 – Better Data

7.64 Overall, the study team believes that various sources of retail based information could be dramatically improved across Scotland through some form of national and independent data sourcing. The centre for the study of retailing in Scotland has been noted in this regard. Earlier, it was also recommended that some form of national household survey on retail patterns would be a useful continuing exercise. Copious information and data sources are produced in relation to retail proposals on an annual basis that there could be an arrangement in place to capture this information and record it for future use.

RA3 – Capacity/Scoping/Impact

7.65 The complex issue of retail assessment has been summarised in this section as an exercise which still has a relevant place in modern retail planning. However, the study team has concluded that retail assessment techniques can sometimes be "over utilised" without benefit to final decisions. In summary, the implication for future policy is to guide retail capacity assessments to look at the overall scope for new floorspace in producing Development Plan strategies. However, quantitative capacity is also a topic which can be assessed by the private sector in assessing the scope for new retail facilities in an urban area. In this regard, the background assessment of legal sources suggests that, in Scotland, the last five years of NPPG8 has proved no obvious requirement for a "need test". From one seminal judicial decision, and other sources, it is suggested that, whilst there might be a place for the assessment of quantitative deficiency, scope for new facilities and impacts arising; there is no overriding evidence to suggest that all retail proposals in Scotland should be subject to a first test of need. The frequent comment from the market is that this stifles the essential dynamic of allowing all retail formats to at least present their case for qualitative capacity and qualitative improvement. To presume a first test of need can too easily be interpreted as a first presumption against development.

RA4 – Impact – The Actual Implications: Quantity and Quality

7.66 There is a call for greater focus on the relevant centres to be tested, updated information on their vitality and viability and a closer look at the actual implications of an estimated level of impact which is often only expressed in trade diversion terms. Evidence produced earlier shows a low level of return, in terms of town centre strategies and vitality and viability health checks. These are critical areas to a full understanding of the land use implications arising from a calculated impact assessment. It would greatly assist future planning decisions and town centre promotion, to have an increased level of importance placed upon the preparation of strategies for the key centres and vitality and viability assessments on an ongoing basis. Future guidance should make a clear definition of the relative importance of quantitative and qualitative factors. Central government should address a comprehensive new national system of capturing critical data on a geographic basis, in order to accurately measure shopping quantity and quality.

8. SUMMARY OF IMPLICATIONS

ADDITIONAL GENERAL IMPLICATIONS

8.1 In addition to the various implications drawn from the previous six sections related to the main six topics, there are further areas of the study research which have presented additional General Implications noted below.

GI - 1 – Overall Effectiveness of NPPG8

8.2 One of the more sweeping questions in the private and public sector questionnaire was the effectiveness of NPPG8 in its various criteria for assessing new developments. Specifically, the eleven criteria stated at paragraph 45 of NPPG8 were noted. Table 8.1 (below) graphs the combined respondents views on the effectiveness of NPPG8 criteria for assessing new developments. The table demonstrates that higher levels of positive responses (stating that the policy was clear and instructive) were given for the following criteria:

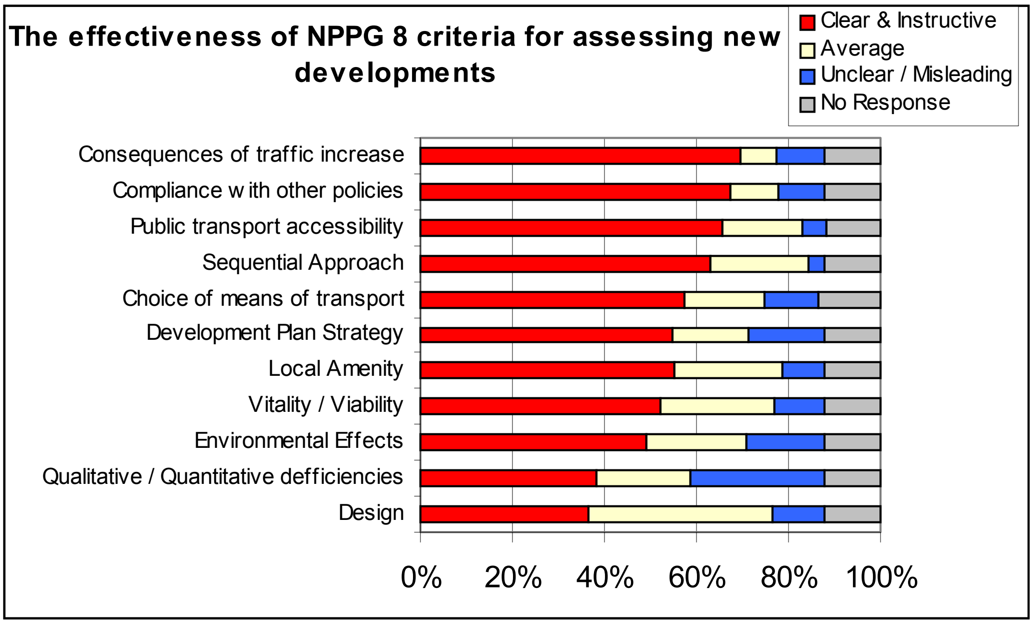
- Local amenity;
- compliance with other important land use policies;
- consequences of traffic increases;
- public transport access;
- Development Plan strategy;
- the sequential approach.

8.3 However, areas where the response was less robust included the following criteria:

- Qualitative/quantitative deficiencies;
- Design

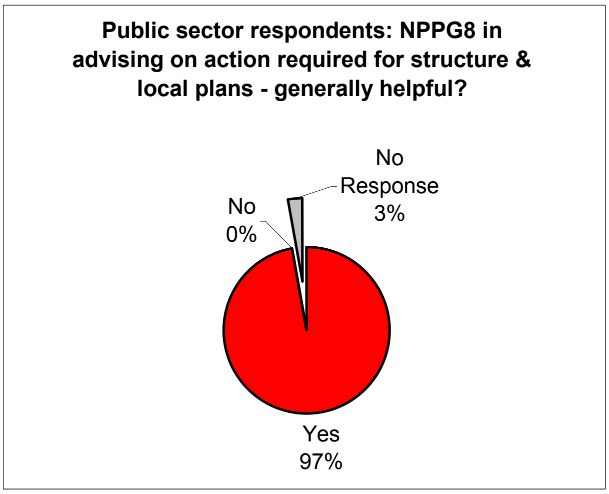
8.4 From this, the implication is that issues such as design and qualitative and quantitative deficiencies might need further guidance. There was also a more neutral response in relation to aspects such as environmental effects, choice of means of transport and vitality/viability.

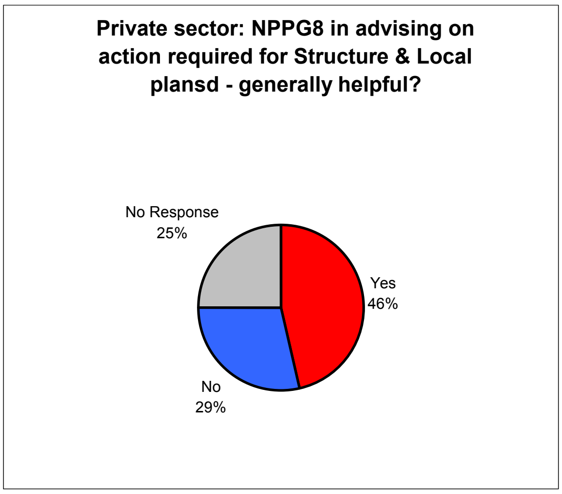
Table 8.1 Combined Views on the effectiveness of NPPG8 Criteria



8.5 As an additional point, it is interesting to compare the responses of public and private sector respondents concerning the helpfulness of NPPG8 in advising on action required for Structure and Local Plans. The charts below (Table 8.2)shows that 97% of public sector respondents answered that NPPG8 was generally helpful, whilst only 46% of private sector respondents thought that it is helpful. However, the study team suspects that, whilst local authorities are quite clear that they must proceed to prepare Development Plans which contain retail policy; there was significant feedback which suggested that Development Plans simply repeated national policy, without detailed regard to local circumstances.

Table 8.2 Structure and Local Plans





GI 2 – Supplementary Guidance

8.6 From paragraph 54 onwards of NPPG8, there are various types of retail and leisure developments specified. The combined results of the public and private survey are presented in Table 8.3 below. It can be seen that generally, less than 50% of respondents felt that these particular development types had high relevance to effective supplementary guidance. The guidance on Retail Parks was the only guidance which was valued highly by over 50% of respondents. Various qualitative comments in the questionnaire accompanying this question noted that different sectors including restaurants, amusement centres and financial/professional services have suggested that a fresh approach could be taken to retail frontage policies in city and town centres. In particular, a closer look at the level of activity generated to the street frontage to different uses and whether the use actually causes higher levels of impact on local amenity.

8.7 Further, there seems to be some evidence that combined commercial leisure schemes, factory outlet centres/shops and retail warehouse clubs are unlikely to see a major surge in activity in the foreseeable future. It might also be questioned whether food discount stores and retail parks in particular require specific guidance, as the level of development activity in these sectors has possibly passed through the boom stage.

8.8 Some of the study feedback has referred specifically to forms of development where policy needs to be updated. This mainly emerges from particular references made in discussion groups and interviews, by individuals who are close to specific issues through policy and decision making:

- New regional shopping centres are unlikely to be tabled as free-standing new centres in the future. The weight of planning policy on sustainable location and land use now sets a context where regional shopping centre developments are only likely to emerge as redevelopments of existing locations, or perhaps as centres of large urban growth areas.

- Specific reference to new district centres highlighted the difficulty in applying a suggested floorspace maximum (paragraph 56 of NPPG8 refers to 30,000 sq. metres gross). In particular, it was noted that new district centres would be defined in a relative context, dependent upon the size of the main city/town centre and other small centres in the local area.

- It was noted that, whilst there was specific reference to food discount stores, NPPG8 gave no specific guidance on convenience based large superstores. Some respondents suggested that specific guidance on convenience retailing, where there is less scope for expenditure growth, would be appropriate.

- The most frequent comment in relation to retail parks was the need for a stronger policy approach in future, to the conditional allowance of bulky goods retailing in retail park formats. Some recent developments have had unrestricted growth in fashion based retail sheds. It was suggested that this form of retail park threatens opportunities for fashion goods to be encouraged in existing centres and, perhaps in a better quality out-of-centre format.

- In relation to discount centres and factory shops, the emerging trend seems to be away from the factory outlet centres, and more towards a "tourist related retail" particularly along Scotland's major holiday and leisure routes. Some developers/operators and local authorities alike have made comments about a possible allowance for a restricted amount of tourist related retail, where this might provide benefit to local tourist activities.

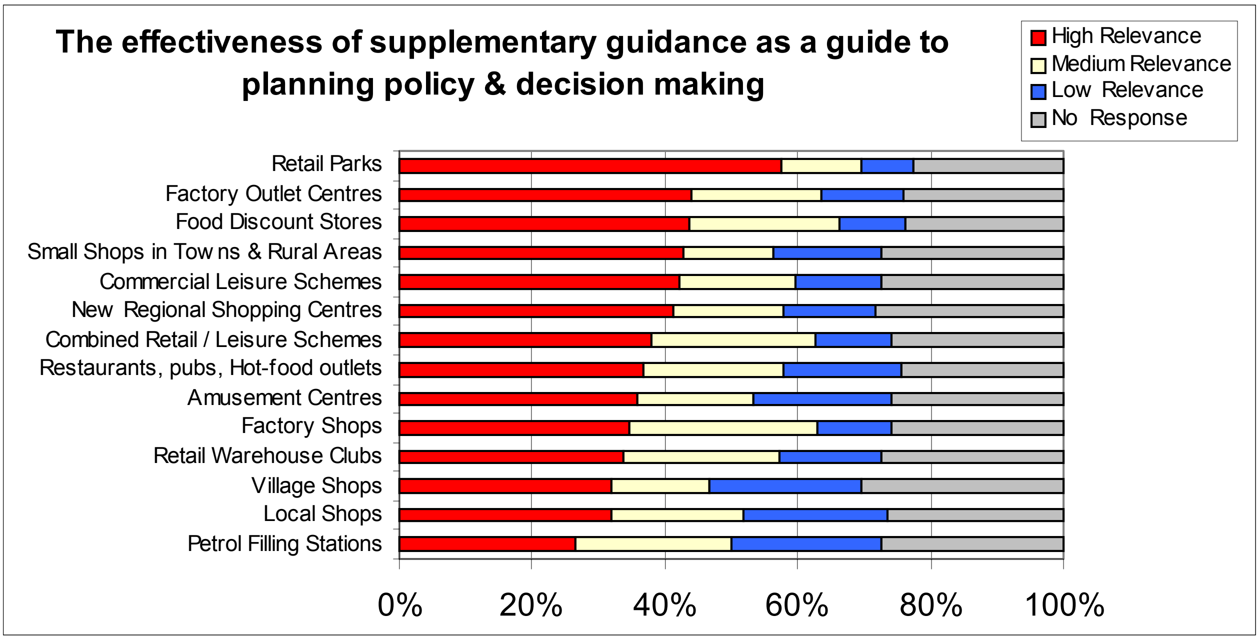
- In terms of leisure facilities, the market for co-location of leisure/retail park formats has subdued with a more recent pattern of in-fill leisure developments in urban areas.

- Restaurants/pubs, etc., continue to innovate on format and location and not always in central locations; but there is some hesitation on rigorously applying a sequential approach to a restaurant/pub facility. In particular, there may be circumstances where it might provide benefit at a roadside location and be otherwise unobjectionable in planning terms. In addition, public house establishments raised the issue of separate control under licensing procedures and the need to review whether planning control is simply duplicating amenity controls under licensing.

- Amusement centres have apparently met with greater levels of acceptance in central locations and, subject to satisfactory amenity controls some types of amusement centres might be unobjectionable and not necessarily requiring a generally cautious and negative policy stance in future guidance. Another linked comment referred to betting establishments, and the need to update guidance on planning and other forms of control on these outlets.

8.9 The general implication for supplementary guidance is a suggestion that future national policy might benefit from a shorter format, without a detailed typology of different present and possible future retail formats. It would be more efficient for other national sources such as Planning Advice Notes and other background monitoring exercises to keep up to date with retail formats and to provide commentary on their content, trading style and locational implications. Table 8.3 helps to provide a summary of combined public/private responses on specific formats.

Table 8.3 Supplementary Guidance

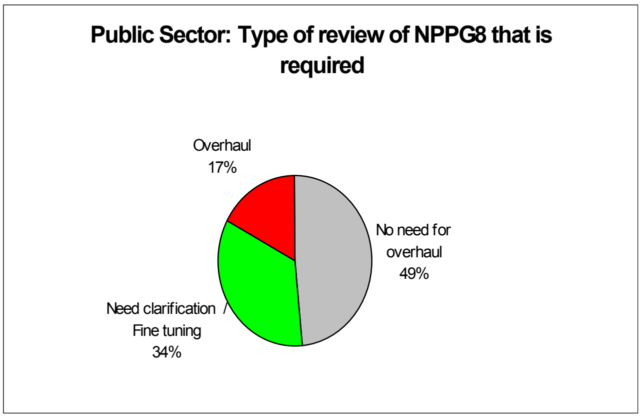


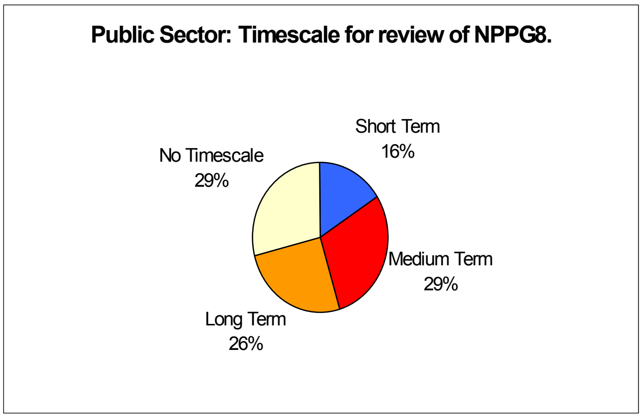
GI 3 – Urgency for Review

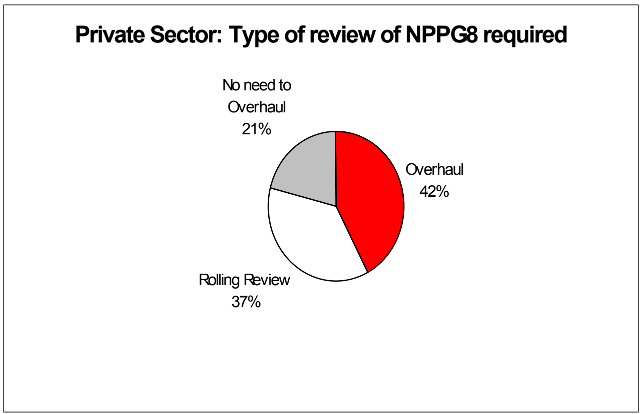
8.10 As the charts in Table 8.4 below show, there has been a mixed response from the separate public and private sector audience groups on the type of review of NPPG8 which they think is necessary and the timescale for this review. Key points are, however, that only 17% of the public sector believe there is scope for an overhaul, with the rest of this audience group suggesting that there is no need for an overhaul or a need for clarification/fine tuning. Overall, public sector respondents think that the timescale for any review should be in the medium/long term. In relation to the same questions, 42% of private sector respondents believed that there was scope for an overhaul whilst 37% felt that there is scope for a rolling review. There is therefore a greater degree of enthusiasm among the private sector for changes to be made to NPPG8 than there is in the public sector. However, once again, the most popular timescale stated for any review by private sector respondents was medium to long term.

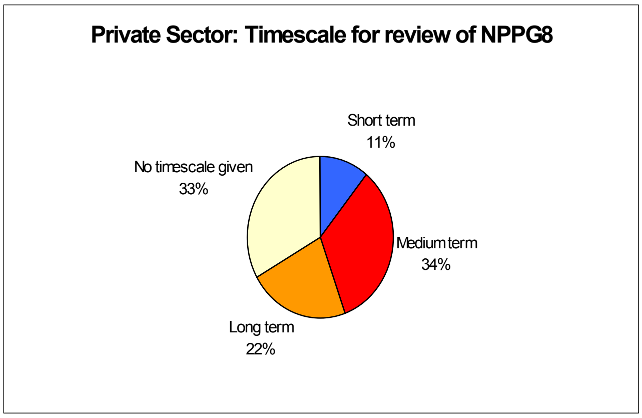
8.11 The implications for the kind of review and urgency for review strongly suggest that; whilst there is no immediate call for a complete overall of NPPG8, there is a view that it requires clarification and fine tuning and also evidence to suggest that a full review might be appropriate in the medium term. This obviously leaves matters for interpretation. However, the study team suggests that points of clarification and fine tuning could be addressed within the next 12 months and this period could also be used define further areas of specific research and assessment which will help to inform a review of NPPG8 which the study team believes should be undertaken within the next 12 to 36 months.

Table 8.4 Overall views on the need for a review of NPPG8









IMPLICATIONS FROM SECTIONS 2 TO 7 - SUMMARY

Status for General Changes in Retailing – Implications for Policy

8.12 The literature review, assessment of retail profiles, floorspace data and survey returns revealed a number of indicators in terms of general changes in retailing:

- GC1 – The Strong Retail Sector Requires an Increased Profile
- GC2 – Dynamic Retail Sector Requires Constant Monitoring
- GC3 – Cyclical Development Activity – Acknowledge Future Development Patterns.
- GC4 – Accessibility a Key Issue
- GC5 – Multi-Locational Dimension – Managing Succession / decline
- GC6 – General Attitudes - Polarity
- GC7 – Re-Energise Retail Planning – Town Centre Improvement Fund?
- GC8 – Shoppers' Views – a Rolling National Survey?
- GC9 – Broader Dimension?

8.13 The common themes emerging from the general changes in retailing are a requirement to promote a stronger understanding of changes in shopping, leisure and other key activities which relate to our urban centres. In parallel, the study team is advising a higher recognition not only in land use planning, but also in socio-economic and political circles for a strong retail based sector in Scotland. The higher profile in central and local government thinking will bring forward the issue of competitive place in our urban areas, to the benefit of town and other centres which can serve the community well.

8.14 Alongside this increased profile and better understanding is a need to accept further technical inputs which will address accessibility as a key issue and also the multi-locational dimension of retailing. This will entail a need to carefully manage the succession of centres which will thrive in future and also the managed decline of retail locations which have not succeeded.

8.15 Another associated area which gives concern is the apparent polarity of opinion between public and private sector. To an extent, this is perhaps an endemic pattern of one side finding some fault with the level of commitment or lack of flexibility with the other side; and perhaps this is to be expected in some measure, due to the complexities of public policy and market forces. However, much of the general opinion noted in this study has been negative and the study team believe that the overarching priority should be to inject fresh energy into exercises which positively promote town centre vitality and viability, thus the recommendation for a town centre improvement fund which brings an element of annual activity to assemble competent bids for significant improvements to the physical fabric of key centres in the hierarchy.

Defining Centres – Implications for Policy

8.16 From the analysis of desk research, and various survey research sources, there is ample evidence to suggest some key implications for policy on defining centres in the future. This was a key area of the client brief at the outset of the study. It was interesting to see some of the key facts revealed in the implications for policy.

- DC1: Centres Must Have Credentials
- DC2: Multi-Locational Dimension
- DC3: According status/importance
- DC4: Taking Stock - An Audit Of Centres/Locations

- DC5 – Accessibility: "Key Sites" and the Urban / Rural Distinction
- DC6 Absence Of Town Centre Strategy/Vitality And Viability Studies
- DC7 NPPG8 – Specific Weaknesses
- DC8 Lack of Clarity: Edge of Centre

8.17 The eight implications above have some overlap with the general change findings, in terms of the multi-locational dimension and an increased importance for urban centres in terms of status and recognition in the land use system. Further details emerge on the need for technical exercises to take stock of the different centres in any area and to carry out an audit of appropriate locations through observation of present and future retail based development.

8.18 An overriding finding, which will have a bearing on various recommendations in Section 9 is that the definition of centres must rely upon "a list of credentials" for a centre to prove that it can perform well as a sustainable location for the good of the shopping public through a healthy mix of uses, strong transport connections and other key factors, including car parking.

8.19 Again, accessibility emerges as a salient issue and recommendations refer to the importance of identifying "Key Sites" (as already defined in Scottish Executive research and now employed in national policy) and to address the important issues of car parking provision and allowances/constraints in relation to the use of the private car. There is also the clear distinction between urban and rural factors and the suggestion that future policy could be interpreted more closely to local circumstances, particularly in rural areas.

8.20 The key area of concern, which is highlighted elsewhere in the report is the absence of activity on town centre strategies and vitality/viability studies.

8.21 Finally, some specific weaknesses were observed from the questionnaire returns, not only in the preparation and promotion of town centre strategies, but also guidance to town centre management efforts, the identification of town centre sites, promoting an efficient and competitive retail sector and the promotion of design quality and an attractive environment. In addition, the definition of centres depends upon more clarity in relation to "edge of centre" and this relates to the sequential approach and site development findings elsewhere.

Sequential Approach – Implications For Policy

8.22 A key issue for the research was to obtain feedback on the application of the sequential approach, whether it is a competent device for guiding locational decisions and whether further clarity is required. The implications are as follows:-

- SA 1 A Sound Approach
- SA2: Comfortable Walking Distance
- SA3: More Flexibility And Realism
- SA4: Physical Definition - "Blue-Lining"
- SA5: An Expanded Centre Cannot Be An "Impacted" Centre
- SA6: Pre Testing – Not Post Testing
- SA7: Policy Parroting?
- SA8 Format – Disaggregation
- SA9 The Urban Density Aspect

8.23 The primary finding is the general support for the sequential approach as a sound method of guiding locational policy and decisions. However this general support will increase its effectiveness in future if it is related to the earlier findings on the definition of centres.

8.24 More specifically, a practical approach to the connectivity between sequential sites and the main centre is promoted through the responses in this study. Rather than a direct dimensional measurement of walking distance, there is general support for a "comfortable" walking route between a proposed site and a centre.

8.25 More flexibility and realism is encouraged on both sides of the public/private sector context. On the public sector side, the greater flexibility appears to be required through greater resource commitment and an improved skills base, to promote town centre opportunities, improve viability for potential future sites and to make attempts to apply the sequential approach as a pre-test, rather than as a post-test, i.e. preparatory efforts to inform the development industry of appropriate sites on the edge of centres. It is recommended that the physical definition of centres could be subject to the usual "blue line" delineation; but a further shadow area of potential development would be encouraged, in order to indicate appropriate locations for future retail and commercial expansion.

8.26 Another issue from the sequential approach is the common theme of repeating national policy to the word in Development Plans. This is evidence for a more flexible application of policy at the local level and this is highlighted elsewhere.

8.27 Another key theme emerging from the sequential approach is whether larger scale formats should be forced to disaggregate into smaller units in order to accommodate available premises or pocket sites around existing centres. Whilst this might be appropriate for the main stream fashion goods which are encouraged in the findings from the definition of centres; it appears that decisions in Scotland have been more tolerant of some of the convenience and bulky goods formats for out-of-centre locations. Indeed, some of the convenience formats have been developed in locations adjacent to centres which have been in need of redevelopment, expansion or regeneration. Alongside the findings on the "credentials list" from the previous heading, there appears to be an acceptance that bulky DIY, carpet, furniture and garden centre goods are appropriately located in larger units which might not be ideal candidates for sequential sites, and this appears to be supported from recent evidence from appeal decisions.

8.28 Finally, the sequential approach implications point to a continued future trend for further development in and around existing centres. As a result, it is unlikely that centres will continue to expand "laterally" with a single storey sprawl of ground cover. A key implication for future policy is the urban design aspect of increased density, as mixed uses are encouraged on the remaining available sites or redevelopment plots within centres. This is likely to have implications for massing, density and height of future developments in key centres.

Support For New Development – Implications For Policy

8.29 From a close look at the activities throughout Scotland on supporting new development and around existing centres, some important implications emerge for policy:

- SD1 – Sequential Site Identification Prior To Submission Of Proposals
- SD2 - Best Practice Guidance Required For Site Development Issues
- SD3 – Reference Required To The Use Of Compulsory Purchase In Site Assembly
- SD4 – Annual Register And Review Of Potential Retail Sites
- SD5 – Review Section 189, Town And Country Planning (Scotland) Act 1997
- SD6 – Streamline Compulsory Purchase Process

8.30 A number of the site development findings provide overlap with the earlier implications. It is clear that an advance exercise for sequential site testing would be appropriate, along with some fresh guidance for site development issues, in addition to PAN59 on town centre improvements. This recommendation is allied to the further implications for compulsory purchase methods to be used in site assembly, an annual register and review of potential sites and a streamlining of processes.

8.31 Overall, the study team believes that all of these issues highlighted from a review of town centres could also apply to other areas of land use planning on the identification of "effective sites". As density increases in Scotland's urban areas, it is likely that further supplementary guidance on site development viability issues, site assembly and other technical inputs will be a useful overall tool for effective urban planning.

Retail Deprivation – Implications For Policy

8.32 The findings from the assessment of retail deprivation are as follows:

- RD1 Strong, Dynamic and Prolific Sector
- RD2 Accessibility
- RD 3 – Deprivation -Need for More Precise Analysis

8.33 Although the original brief asserted that there might already be evidence of deprivation throughout Scotland in terms of retail provision, this study has not found wide spread evidence at the national level of falling activity, in terms of new retail formats. There is a strong dynamic and prolific sector and some evidence from existing household survey of the population generally finding retail and other services accessible except perhaps for the most remote rural areas.

8.34 However, the study has recommended a more focal analysis of some more key urban areas which may be displaying high levels of socio-economic deprivation, and whether their level of accessibility to modern mixed use retail facilities is improving.

Retail Assessment – Summary of Implications for Policy

8.35 The other view of retail assessment has summarised the following implications for policy:

- RA1 - Centres of Importance
- RA2 – Better Data
- RA3 – Capacity/Scoping/Impact
- RA4 – Impact – The Actual Implications: Quantity and Quality

8.36 The subject of retail assessment provided scope for a more thorough analysis which could have been subject to an entire research study. However, from the overview and key points of feedback this study identified the need to provide techniques of retail assessment which continue to be employed by practitioners throughout Scotland. This focus is best targeted at exercises of quantitative capacity for Development Plan policy and for testing new proposals. The study team does not believe that a first test of need is appropriate. This tends to intimate a general resistance to any new retail development. Whilst it is accepted that the planning system has a proper place to filter retail development schemes, techniques of retail assessment should still be appropriately employed, to measure scope for new development and the impacts which it will have upon a well defined list of centres of importance in the urban system.

8.37 The results of this approach are to recommend a clear audit of the centres of importance, such that retail impact exercises can be set in an appropriate context, rather than risking considerable time and other resources on analysing irrelevant impacts. In line with this is a call for significant improvements to base data at a national level, possibly on a geographic information basis. It is suggested that a central, national and neutral data source could be established which would capture various source material as it is presented in the retail sector in Scotland. In addition, it is suggested that some form of ongoing national survey of shopping habits would greatly assist future planning policy formulation in Scotland.

8.38 In parallel with the retail assessment recommendations which apply to quantitative aspects; there is the equally important dimension of qualitative measures. By its nature, quality is more difficult to measure, but the vitality and viability indicators in NPPG8 continue to have an important input to final decisions and the assessment of the actual implications of impact. Allied to this is the need to look at sequential sites, and efforts to improve town centres. Critically, this links back to the need to re-invigorate activity on the promotion of town centre strategies. With a clearer picture of the current health of the town centre, its future projects, programmes and budgets, the decision maker has a better guide to the actual implications of impact on a particular centre.

Additional Implications

8.39 Although the six defined study area topics have gathered most of the key implications from the Desk and Survey Research, additional implications were highlighted from the survey questionnaire in particular:

- GI 1 – Overall Effectiveness of NPPG8
- GI 2 – Supplementary Guidance
- GI 3 – Urgency for Review

8.40 The assessment earlier in this section in the General Implications shows that the overall effectiveness of NPPG8 records a view that the policy is generally clear and instructive across a number of key areas. However, qualitative/quantitative deficiencies and matters of urban design were highlighted as less robust with a suggestion that further guidance on best practice and policy would be appropriate. In addition, it is suggested that the typology of different kinds of retail format included towards the end the existing NPPG8 is now less relevant and with some refinements to policy on specific issues this could be removed, but accommodated in some form of supplemental frequent monitoring of retail trends in Scotland.

8.41 In terms of the type of review and urgency of review, the study team have concluded that refinement/fine tuning is appropriate within the next 12 months and from 12 to 36 months, it would be appropriate to look at a review of NPPG8 with some of the more fundamental points in this study being addressed in a 12 to 36 month period. The future format should work on the basis of a leaner SPP and further, better focussed PAN advice in support.

CONCLUSION

8.42 To conclude the summary of implications, it is useful to refer back to Section 1 which sets out the overall study methodology (and Appendices 1 and 2). From the 11 key tasks of research (desk and survey exercises), the study team believe that there has been a thorough review of opinions, facts and other sources which help to inform the six key topic areas identified for the study.

8.43 From this section's review of the implications for policy, it is clear that there are over lapping themes and repeated issues.

8.44 Section 9 brings these themes together in the form of specific recommendations.

9. CONCLUSIONS

9.1 The analysis so far in this report has adhered to the study team's approach to the six key areas of issues, as set out in Sections 2 to 7. Various implications emerged from the analysis of these issues, as summarised in Section 8 and it is clear that there is significant overlap in the various policy implications.

9.2 In this section, common implications have been clustered, to draw 12 key conclusions for the Scottish Executive Development Department to consider as part of a practical overview. These conclusions include the main findings and also detailed recommendations emerging from the study.

KEY CONCLUSIONS

9.3 This section should be read in conjunction with the flow chart presented in Appendix 5. This flow chart has been prepared as follows:-

- Listing all the implications for policy which were summarised in Section 8 (vertical column).
- Making a horizontal dimension, to introduce the study team's defined 12 areas of detailed conclusions.
- A matrix exercise, whereby each recommendation is justified on the basis of "connection points" with the implications for policy. Graphically, this shows the sourcing of each conclusion and the clustering of different issues emerging to justify the key finding or recommended action.
- The conclusions are covered in this section. The strategic recommendations are dealt with in the next section.

9.4 We deal with each of the detailed recommendations in the headings below.

Conclusion 1:
Revisit National Policy Objectives

9.5 The first conclusion is for the Scottish Executive Development Department, in consultation with other departments of the Executive to address national policy objectives for town centres, urban centres, accessibility, mixed uses and other key points which will shape future national policy.

9.6 The flow chart shows that a fresh approach to national policy objectives is justified by a number of "GC" implications, from our appraisal of general changes. The increased profile and constant monitoring of a strong retail sector and a need to understand a cyclical development activity, along with accessibility, new locations for commercial activity and their status all point to a need for central government to reassess the policy context.

9.7 Specifically, the study team believes there is scope for a higher profile for government policy for the future of urban centres in Scotland. This needs to link to other areas of central government activity such as:

- The Cities Review – placing an emphasis on quality of life, civic improvements and recapturing population growth in urban areas.
- The continued promotion of an efficient, competitive and innovative retail and commercial sector.
- Policies which guide development towards "competitive places". The activities of Scottish Enterprise are important in this regard and there can be increased linkages between their efforts to promote economic renewal and a higher position in national

policy for the future town centres and urban locations for various commercial and other uses.

- Efforts to improve the quality of our living environment through the promotion of good design, efficient transport systems and improved public realm.
- In a similar way to the notable increase in profile for transportation issues in recent years at central government level in Scotland, the study team recommends that town centres and the emerging broader theme of multi-functional urban centres should rise up to the national agenda for a stronger level of debate and resource commitment.

Conclusion 2: Redefine "Town Centre"

9.8 The second conclusion overlaps with the proposals in Conclusion 1. Traditionally, central government policy has referred to "Town Centres and Retailing". From various findings in the assessment of general changes in retailing and the definition of centres, there are key implications for future policy on defining "town centres".

9.9 The flow chart shows the different implications which relate to this conclusion, including various points on general changes in the sector, as well as the multi-locational dimension of centres in urban areas and the need to address status and levels of importance for different centres for future planning policy. This will require an audit of appropriate centres and locations according to their strength of function and future retail capacity assessments will have to contribute to this exercise.

9.10 Specifically, implication GC9 posed the question of a broader dimension for future policy to cover retail, financial/professional, restaurant/pub, etc., leisure and other uses (see next conclusion).

9.11 This study has made various references to the future growth of urban areas in Scotland benefiting from a pattern of inter linked sustainable centres which assist in providing the best quality of mixed provision in accessible locations. This approach to "polycentric" urban areas suggests a new approach which embraces a more positive policy towards multiple locations, particularly in the larger urban areas. This moves away from the "monocentric" tone of the previous NPPG8 guidance. It suggests that future SPP guidance can move from looking at a notional single town centre, to a broader context of sustainable, accessible and viable urban centres of importance, which will make a positive contribution to urban planning objectives.

Conclusion 3 New Guidance on a List of Credentials

9.12 Conclusions 1 and 2 tend to raise the question of how to apply a planning methodology, for the selection of important centres which will sustain Scotland's urban areas in the future for the best quality and quantity of provision.

9.13 This study has found clear evidence of the potential for a new approach which should take a careful look at the attributes or credentials of a centre to qualify it as a location of importance for future land-use policy.

9.14 A number of the implications for policy from our chapter on defining centres show clear evidence that future centres must have a quality of provision, infrastructure, use mix and other facilities which demonstrate the credentials for sustainable policies to protect their future. The result of this will be the necessity to accord status/importance to different centres, perhaps in differing degrees, accordingly to the local planning context. Future development plans will have to take stock of the various locations around the urban area and audit these to assess their suitability for future protection and encouragement. One of the key inputs to this exercise will be a survey of each centre's vitality and viability and its land use mix.

9.15 It is recommended that future SPP guidance seeks to review the glossary of terms and definitions in relation to town centres and to ally this exercise more closely with the contributing factors which qualify a sustainable centre.

9.16 As noted earlier in the report, one of the implications of this approach will be not only to promote and enhance the future of selected centres (see next conclusion); but also to pay regard to the natural process of decline in some other shopping-based locations in the urban area. Development plans will have to be selective about resource commitment to appropriate centres, but appropriate alternative land use, masterplan and design guidance will have to be employed in promoting the redevelopment of locations which are unlikely to thrive as retail centres in the future.

Conclusion 4:
Re-energise Town Centre Planning Activity

9.17 One of our specific detailed conclusions is to create a surge in activity by the public and private sector, to promote town centres as efficient, competitive and innovative locations.

9.18 The six key areas of issues for this study have all presented implications for the amount of energy, resource and enthusiasm to promote new development and positive change in town centres.

9.19 The current NPPG8 makes frequent reference to the fact that local authorities should promote town centre strategies and other promotional activities and this is encouraged by way of reference to less desirable forms of retail development emerging, if town centre efforts are not progressed.

9.20 However, the study team believes that much more resource and vigour is required, to re-energise the retail based sector into higher levels of competitive activity to prove town centres as appropriate locations for future development. The study team has suggested an annual bidding process for a "town centre improvement fund". It is suggested that this could be a yearly round of bidding, for appropriate schemes which promote specific development sites, environmental improvement projects, accessibility improvements and other appropriate town centre management and promotional efforts. In the same way that the integrated transport fund has reinvigorated urban infrastructure planning, the town centre improvement fund could also promote a much more positive context for future activity.

Conclusion 5:
Stronger Requirement for Town Centre Strategies and Vitality/Viability Studies

9.21 The conclusions above point to a future policy context which encourages a closer scrutiny of the performance of various centres throughout Scotland.

9.22 However, it has been noted from the study that there is a low level of activity in relation to town centres strategies and vitality and viability studies, in order to constantly gauge the performance of centres.

9.23 It is recommended that a stronger requirement is placed upon local planning authorities and others in partnership, to promote the continued assessment of vitality and viability and the preparation of town centre strategies. It is suggested that this increased activity could be significantly encouraged by the town centre improvement funding proposal in Conclusion 4.

Conclusion 6:
Sequential Approach – Reasserting with Clearer Definitions

9.24 The sequential approach was a specific area for this research study and all the implications for policy point to the continued use of this approach as a sound basis for land use planning in town centres. Therefore, the study recommends the continued use of the sequential approach in future policy. It can be reasserted as a key element of land use policy, but definitions could be clarified:

- A flexible approach to the definition of "a comfortable walking distance" would be appropriate for future policy. This should observe the overall size of the centre in question and the existing experience of pedestrian movement between central anchor facilities and secondary/tertiary areas. A large city centre shopping experience usually engenders a more involved level of activity with greater distances covered between facilities, compared with a smaller town experience. Decisions will have to be made based upon the size of the centre, the physical and environmental opportunities/constraints to movement and a qualitative view on the comfort and amenity of walking routes between the site and the centre.

- More flexibility and realism on the part of both the public and private sector interests should be promoted. More resource commitment to the identification of appropriate sits on the public side can be matched by more flexibility on future retail formats on the private side.
- There appears to be some scope for larger bulky format retailing, ideally in sustainable central locations, but not necessarily in the prime town centre, if sites are unavailable and if the proposed format can be conditionally controlled, in order to stem a migration of mainstream comparison goods away from town centres.
- The physical definition of centres will be increasingly important with the "blue lining" exercise for town centre definitions to be augmented by a shaded area for appropriate areas for extension.
- It is suggested that the sequential approach is too often applied after a development proposal emerges. Pre-testing of sequential sites would be preferable, along with a closer look at site infrastructure, viability, etc.
- It is also recommended that future policy recognises the acceptance which should be given to a development which is judged to be part of an expanded centre. Too often, there is excessive analysis of the impact of a development which will, in itself, be part of the centre.
- There is frequent comment that a national sequential approach policy is repeated too precisely at local level and there should be scope for more local interpretation of policy.
- Finally, in future there could be an urban density aspect to further sequential policy. The outward spread of town centres could transform to an "upward" implication in terms of densities, height, mixed uses, etc.

Conclusion 7: New Supplementary Site Development Guidance/Statute?

9.25 This conclusion poses further questions for central government policy, as a result of various findings on the definition of centres, the sequential approach and, in particular on site development issues. The latter area of our research presented some key implications for policy. These included the need for best practice guidance for site development issues, a clearer focus on the use of compulsory purchase in site assembly, a register and review of potential retail sites and a potential to streamline compulsory purchase and other procedures.

9.26 The study team believes that many of the site assembly, viability and project management issues emerging under the site development heading could be common to other key areas of regeneration, employment growth, housing land, etc., in Scottish planning. Therefore, future supplementary guidance on site assembly, viability issues, etc., could be appropriate not only to back up future SPP guidance on retail issues, but other land use issues as well.

Conclusion 8: Reassess Transport Modes for Shopping Accessibility

9.27 The study findings on general changes in retail habits (particularly the importance of constantly monitoring household shopping preferences) and also on the definition of centres, the sequential approach and site development issues have highlighted a need to look afresh at transport modes and shopping activity.

9.28 The study believes that the overwhelming evidence of continued use of the private car for shopping activity, mostly at off peak times is an important factor. There is also evidence to show that most sectors of society have access to a car, even if they do not have car ownership. Furthermore, there is the important issue of access to shopping and other community facilities in the expansive rural areas of Scotland. This was an important point raised by many of the consultation groups in the study.

9.29 As a result, the study team recommends that the issue of transport should be reassessed in the context of shopping activities, new urban centres and other associated commercial, leisure, etc., facilities.

9.30 On the one hand, there could be scope to have a more positive policy towards the controlled allowance of private car usage, particularly for forms of shopping which require the convenience of accessibility. However, the study team's transportation specialists have recommended that this should be appraised in conjunction with an investigation into car park charging policy between central locations and the out of centre developments which have ample car parking, normally without a charging regime.

9.31 On the other hand, there is continued strong reason for improved public transport facilities to link with the future of shopping facilities. This point has strong links with the recommendations earlier on the acceptance of various new urban centres, as long as they demonstrate good transport links and various other credentials. The study team believes that strategic investment in public transport facilities should be at the heart of any credentials list which defines future centres.

Conclusion 9: Retail Assessment Methodology

9.32 Various detailed recommendations emerged from the review of retail assessment inputs and methodology in Section 7 of this study.

9.33 It is suggested that future national guidance could be supported by advice notes on the appropriate context for the use of quantitative assessments and impact appraisals. The study team does not believe that there is a strong case for a "first test" of retail need before a proposal can progress. Alternatively, it is suggested that the quantitative and qualitative scope for new retail facilities should be tested along side a sharper focus on vitality and viability issues in relation to centres of importance which could be subject to impact.

9.34 This focussed approach to retail assessment methodology will depend critically upon the definitions of centres of importance. Equally important, it will depend upon improvements to data sources (see next recommendation).

Conclusion 10: New National Retail Data Sources

9.35 The study concludes that the optimal approach to the future of the retail/commercial sector in Scotland would be a fresh Census of Distribution instigated at central government level. It is understood that there are resource implications to this kind of commitment. However, there are modern information technology advances which can help to capture geographic data as part of a survey framework which can sustain in the long term.

9.36 Other approaches could be beneficial, such as prescribing improved geographical data capture at the local level, but to accumulate this data through some form of recognised national data base. An independent retail data collection centre would be appropriate. This could be a holding centre for the considerable amount of information which is produced on an annual basis through the normal planning application appeal and other activities in the planning system. In addition, the study team believes that some form of annual household survey should be mounted at national level, in order to inform government policy, but also assist in local decisions.

9.37 Whilst there are constantly improving sources of data for population trends, expenditure levels and other demographic indicators; this study has found criticism in relation to reviews of retail floorspace in particular and the lack of commitment to vitality and viability studies on town centres.

Conclusion 11:
Allowing Flexibility at Local Level

9.38 Various elements of the research, including general changes, defining centres and the sequential approach highlighted the need to avoid an over-rigorous national policy context and to allow flexibility at local level.

9.39 There was a particular reference to urban and rural distinctions and the need to allow appropriate local circumstances to influence policy.

Conclusion 12:
Specific NPPG8 Changes

9.40 The preceding headings all deal with the grouping of different implications to common themes. However, other specific results of the research related to the time scale for the review of NPPG8, and the appropriateness of some of the specific areas of guidance. In this context, the study team draw the following particular conclusions:

- There is an immediate requirement for some form of follow-up action aimed at refining the current NPPG8, over the next 12 months, in the following particular areas:
- sequential approach (linkages from sites to centres, large formats and disaggregation – see para. 9.26);
- promotion of Town Strategies
- the appropriate context for the employment of retail assessment methodology including capacity and impact;
- the need for improved vitality and viability monitoring;

9.41 In addition, the study team believes that work could commence immediately, in order to bring about a review of NPPG8 and produce a new SPP in the next 12 to 36 months. It is suggested that a new and leaner SPP should address the following:-

- The overall title of the document and a broader reach for its implications on "urban centres".
- A town centre incentive for the promotion of identified centres, development sites, environmental improvements and other initiatives.
- A fresh approach to transportation policy and its links to the future of urban centres. Whilst the existing main stream policy of promoting accessibility is likely to remain, there should be a closer focus on appropriate facilities for the use of the car, including parking controls.
- Policy for assessing new developments could move away from the exhaustive criteria checklist (para 45), towards more general policy tests which relate to relevant centres, impacts, vitality/vitality, accessibility, etc. and allow for some local discretion.
- Deleting references to the typology of different kinds of development.

9.42 In parallel with the above changes to the NPPG/SPP, the study team believes that substantial supporting advice could be assembled at national level to cover the following areas:

- Promoting town centres;
- Assembling effective development sites, viability appraisal and realising opportunity sites.
- Retail assessment methodology and data sources;

- Designing places, public realm and civic space in town centres.

9.43 Overall, many respondents involved in this study made reference to a future SPP on town centre and retailing issues which would be much shorter and concise document, focussed to the key issues. In support, there could be fuller complementary guidance and advice notes which could be updated on a more frequent basis and could benefit from more improved monitoring sources and techniques.

9.44 In the detailed conclusions above, the study team believes that the terms of the original brief have been thoroughly appraised and tested in the various consultative and research exercises employed in this study. A considerable amount of background information is now available to the Scottish Development Department and the Central Research Unit to employ in its future reviews of policy. Section 10 condenses the final findings into 6 Strategic Recommendations and relates these back to the original aims of the Study Brief.

10. STRATEGIC RECOMMENDATIONS

10.1 This conclusive section of the study presents some final strategic recommendations. As noted in the previous section, there was repetition of similar themes between the various implications drawn from the six different areas of the study. In assessing these implications, the study team has identified the 12 detailed conclusions in Section 9, which we suggest are appropriate for more detailed consideration within the Scottish Executive Development following this study.

10.2 However, we believe that common themes within the various detailed conclusions can be drawn together into six final Strategic Recommendations; which are overarching implications for the Scottish Executive. We present these below, with reference to key points from the original client brief and the study team findings.

STRATEGIC RECOMMENDATION 1: INTRODUCE A NEW APPROACH TO "URBAN CENTRES"

10.3 The original client brief raised questions about NPPG8 guidance and whether it should apply to non-retail uses, the balance between retail and other attractions, and the integration of a leisure component with new proposals.

10.4 These issues have been thoroughly addressed in Section 2 and 3, through the review of general retail changes and issues affecting the definition of centres. There is clear evidence of a continued competitive trend towards new development formats which increase retail floorspace. However, retail pipeline data, responses from questionnaires and discussion groups have revealed that much of the development activity can still be proposed in "single use" format. However, Section 3 introduced various charts which showed a wide spread opinion, that various different functions make up the vitality and viability of a sustainable centre. Main stream fashion, public transport, car parking, other commercial uses (food/drink/banks, etc.), and civic space lead the list. Residential, tourist, convenience retail and leisure venues also feature quite strongly as important uses to the vitality and viability of town centres (Table 3.10).

10.5 The study brief also enquired about the status of existing out of centre developments and whether or when they should be regarded as town centres. In the questionnaire, more than half of the private sector respondents and a quarter of the public sector respondents believed that well established shopping locations outwith town centres should be afforded town centre status. In addition, much of the interview and discussion group feedback suggested a fresh approach could be adopted, which introduces an audit of all centres in urban areas, assessing their long term sustainability. The study team have recommended that this can be carried out by way of the list of credentials presented in each centre, in particular accessibility, mixed use and the efficiency with which the centre serves its surrounding catchment. The study is recommending that certain, more successful centres, where significant infrastructure investment has been made could be allowed to expand and diversify in order to build up a critical mass and this, in turn should attract improved public transport access and other desirable land use and transportation advantages in the long term.

10.6 The study brief also enquired about the future role of smaller town centres and district, neighbourhood and suburban centres. It was noted that many of these centres, by virtue of their location or catchment area have limited prospects for significant change . The study team has found evidence from general trends, defining centres and issues relating to the sequential approach and support for new development; that some centres will thrive, whilst others will struggle to survive. The latter category will continue to be subject to the notion of "managed decline" already highlighted in NPPG8 (paragraph 32). The study team believes that a fresh approach to assess all the centres in an urban area will inevitably result in some locations being reviewed, in terms of their long term sustainability and qualification for protection through planning policy. Rather than a managed decline; it would be more appropriate to suggest that these centres will be subject to managed change, by way of alternative land use policy allocation, encouragement of alternative uses such as residential, business and other functions.

10.7 Another implication will be the challenge presented for retail locations which might be under-performing on public transport, mixed use, etc. A development plan approach which rewards the evolution of a centre (by way of adding improvements to transport, mixed uses, civic space, etc.) should present a challenge, for individual centres to respond to, by adding improvements to facilities over time.

Strategic Recommendation 1:

In conclusion to these various points about the future of centres in the original brief, the study team has grouped the first three detailed conclusions from the previous section and presents a final strategic recommendation: that the Scottish Executive should introduce a new approach to "urban centres". This should raise the profile of town and other centres in government policy, redefine town centres in the future to be sustainable, accessible and viable urban locations and new guidance should present a list of credentials which qualify a centre to be one of importance in future planning policy.

STRATEGIC RECOMMENDATION 2: LAUNCH A NEW PROFILE TO PROMOTE TOWN CENTRE INITIATIVES

10.8 Another key point from the original client brief was the adequacy of support for town centres and the realisation that many centres still have some way to go to ensure that retailers and market expectations (in terms of size and type of retail units) are being met. In addition, the shopping experience has to keep pace with consumers' and retailers' expectations. The brief questioned whether there was a need to address further measures and actions to improve town centres.

10.9 As noted, in particular from detailed Recommendations 3, 4 and 5 in the previous section, there is clear evidence from this study to launch a new profile to promote town centre initiatives.

10.10 Section 2 of this report has highlighted general changes which clearly demonstrate that Scotland will see continued competition between centres in urban areas to provide for the growing level of household expenditure, particularly on non-food shopping and recreation and culture. As noted above, this process will inevitably lead to pressures amongst competitive places and the need to promote the centres with the strongest elements to serve the community well. However, general responses from this study's questionnaire in particular have found an overall negative attitude towards retail policy in the last five years. When probed, much of this response is due to the frustrations in achieving physical results in existing centres, by way of identifying and developing sequential sites and allocating sufficient resources to realise development opportunities.

10.11 Section 4 noted various locational factors affecting the private sector's selection of more central sites and factors such as property investment, proximity to other businesses, premises being made available in suitable locations and a proactive planning policy to promote sites all feature as important. Section 5 produced a telling review on the support for new development. In particular, specific strategies to promote individual town centres, through environmental improvement, identification of development sites, vitality/viability monitoring and other exercises were not in wide spread evidence. Only 38% of public sector respondents recorded that they had been involved in town centre strategies in the last five years. For the private sector, this was only 7%. Against this, NPPG8 makes it quite clear at paragraph 33 that planning authorities should adopt a proactive role towards town centre change and improvement, working in partnership with retailers and other parties.

10.12 The study team has investigated this lack of enthusiasm and positive activity on focussed town centre strategies and, particularly from interviews, it appears that there is a call to provide greater resource and energy and planning and development expertise, in order to promote town centres.

Strategic Recommendation 2:

Drawing upon Conclusions 3, 4 and 5 in the previous section which highlighted the credentials for successful centres, the need for a town centre improvement fund and a stronger requirement for town centre strategies and vitality/viability studies, the study team recommends the launch of a new profile to promote town centre initiatives. The new aspect involved in this recommendation is some form of annual round of bidding for central funds, in order to secure investment in appropriate development sites, town centre extensions, transport improvements, environmental enhancement and other initiatives. It is suggested that this idea could be worked in conjunction with the Scottish Executive Cities Review and also the ongoing consultation on Business Improvement Districts.

STRATEGIC RECOMMENDATION 3: SEQUENTIAL SITES – IMPROVED GUIDANCE

10.13 The original study brief focussed some of its principal objectives on the extent which developers and planning authorities have demonstrated flexibility and realism in applying the sequential approach. It was questioned whether it is realistic to expect developers and retailers to change normal formats. In addition, the brief questioned the definition of edge-of-centre and the form of linkages between proposed new sites and town centres.

10.14 Section 4 of this report has focussed on the sequential approach. It was found that this had been subject to much discussion amongst property and planning practitioners. The positive sign is that this discussion is fuelled by continued activity in trying to secure central sites. Data on the retail pipeline shows continued pressure for various kinds of retail formats. However, the last five years has shown significant levels of town centre and edge-of-centre space being completed, in parallel with continued pressure for decentralised locations. The review of Development Plan policies and decisions has shown regular debate on the definition of edge-of-centre, and the questionnaire surveys revealed various different views. Table 4.2 in particular highlights key findings from this study in relation to the sequential approach:

- The sequential approach is basically sound in favouring central locations for the future vitality and viability of centres.
- Overall, planning authorities have been flexible and realistic.
- However, in future, there could be more flexibility and proactive promotion of new sites, by planning authorities.
- The linkages to the centre from a sequential site should be judged by way of an easy walking distance. Specific comments from interviewees and discussion groups suggests that this should be linked to the local environment, major road barriers, attractive pedestrian routes which allow safe passage between the proposed site and the centre.
- Specifying the definition of edge-of-centre by way of a measured dimension is inappropriate.
- Whilst every effort should be made to try and accommodate main stream fashion formats in town centres, there are some other bulky goods or convenience based formats which are more appropriately located in larger units, offering economies of scale, accessibility benefits and possibly a decentralised site which creates another

urban location which can be sustainable in the future, by reason of accessibility, mixed uses and other benefits.

- There was some evidence that favouring central locations for development might constrain the development of an efficient, competitive and innovative retail sector.

10.15 Throughout the study, there have been dichotomies between the natural inclination of the public sector to be cautious of some of the effects of unrestricted development growth and on the other hand, strong views from the private sector that various flexible forms of retailing should be allowed. This polarities of opinion has been evident in this study in relation to the sequential approach. However, the basic finding is that the approach is a sound method to allocate land use and to promote the future of sustainable centres. However, future changes to planning policy should perhaps be more focussed on the physical layout of existing centres and the scope for growth. The study has found that a rigid "blue line" definition of a town centre is too restrictive, and there is scope to provide for some kind of "blue shading" which identifies areas for extensions of town centres.

Strategic Recommendation 3:

The previous Section introduced the recommendation that the sequential approach needed reasserting with clearer definitions and also that new supplementary site development guidance and possibly changes to statute would help to promote site assembly and assess viability. The Conclusions 6 and 7 are drawn together here to make a final Strategic Recommendation 3: that policy on sequential sites should be improved, with guidance on location and site development issues. This could be more specific in terms of appropriate linkages between new sites and existing centres, to promote a "pre-test" of various sites, before developments come forward and to promote more detailed site development guidance.

There is a need for best practice guidance on the preparation and promotion of town centres strategies, vitality/viability indicators and the identification/assembly of town centre sites. In addition, some respondents have highlighted the need to promote design quality, improve the public realm and promote good practice on town centre management

STRATEGIC RECOMMENDATION 4: TRANSPORT FOR SHOPPING – REAPPRAISE KEY TRENDS/PATTERNS

10.16 Access to shopping was the key point highlighted in the original client brief. It questioned whether current retail patterns lead to some communities having inadequate provision and where the guidance should give emphasis to the social impact of new retail development. The role of retailing and supporting urban regeneration was also noted, as well as particular guidance on rural shopping.

10.17 The study has grouped most of these points under the heading of "Retail Deprivation"; but has presented this more as a question. Overall, the study finds little evidence that Scotland has seen falling trends in retail provision, particularly in the urban areas. The retail pipeline data shows increased levels of space being proposed through the planning system in the last five years. The feedback from discussion groups and other sources does not suggest that this is all being channelled to specific, more affluent areas, leaving deprived areas without new shopping facilities. However, the study has recommended a more precise geo-demographic analysis.

10.18 From other indicators already available through the Scottish Executive household survey, it appears that more remote rural areas are showing high levels of accessibility to the use of the motor car and also recording sound levels of satisfaction, in relation to access to shopping and community facilities.

10.19 Moving away from the question of retail deprivation in social terms; one of the key aspects of household survey evidence, national travel patterns and other sources gathered in this study is the continued use of the private car, often at off-peak times, for shopping purposes. In particular, this relates to the weekly incidence of convenience goods shopping trips, but also for non-food purchases.

10.20 In areas of public transport provision is more abundant, there is clearly a higher incidence of public transport usage for shopping purposes. The study team believe that significant efforts should continue, particularly in the larger urban areas, to improve public transport provision for shopping based trips.

10.21 However, there is evidence to suggest that policies of constraint on the private motor car for shopping purposes can cut against the clearly expressed preferences of the shopping public. This is one of the points which could be addressed through a more regular household shopping survey, rolled out on a national basis (as noted in implication GC8).

10.22 The study team believes that further detailed assessment could be made of current patterns of accessibility, popularity of different modes of transport, modern household lifestyle issues and convenience of accessibility and car parking. The latter point in particular has drawn attention to the transport specialists within the study team. It is suggested that the car park charging (and possible urban tolling) constraints which are normally applied to the traditional town centres, are absent in the decentralised locations and this might be an issue for "level playing" policy in the future. This point could be linked in the list of credentials identified earlier.

Strategic Recommendation 4:

The study team makes Recommendation 4 – that transport for shopping should be reappraised. Key trends should be identified through updated household shopping and leisure survey information. From this, different patterns of accessibility and transport facilities should be assessed, with a view to complementing future policy on shopping centres.

STRATEGIC RECOMMENDATION 5 – ADVICE NOTE ON RETAIL ASSESSMENT DATA

10.23 The original client brief raised the role of retail capacity/retail impact assessments and whether they are consistently used and applied. It was questioned whether further advice was required, particularly on the issue of quantitative deficiencies.

10.24 This point has been assessed in detail in Section 7 of this study, with the following key findings:

- Scottish policy does not place a requirement on developers to prove a first test of retail need. From appropriate legal sources, existing policy and significant appeal decisions, it is apparent that quantitative retail assessment has an appropriate place in assessing capacity, deficiency and critical impacts. However, there is no national requirement to prove need, before a retail proposal is progressed.

- The questionnaire responses in this study record a strong call for improved data sources, to analyse retail issues. In terms of methodology, whilst there is general satisfaction on the linkages between retail and transport assessments; respondents were less satisfied on assessing capacity for new development and identifying deficiencies on qualitative and quantitative terms.

- The vast majority of development in the last five years has been brought forward by planning applications, rather than by a Development Plan led approach.

- The various implications identified in Section 8 and detailed recommendations in Section 9 indicate the need to refresh national guidance to reflect appropriate circumstances for assessing both quantitative and qualitative scope for new retail. There should be clearer guidance on the quality indicators, such as vitality and viability measures, and a closer focus on centres of importance, for impact assessment. In addition, it is noted that new sources of national data collection should be promoted. Ideally, a Census of Distribution would establish a fairly sound basis for future retail planning in Scotland. At least, there could be some of national data collection, including annual household survey returns, and an improved basis for geographic information systems.

Strategic Recommendation 5:

Overall, the study team made Recommendation 5 - for a clearer focus on retail appraisals in future policy. This could include a background advice note on retail assessment techniques and data sources.

STRATEGIC RECOMMENDATION 6: SHORT AND LONG TERM CHANGES TO NPPG8

10.25 The focus of the study brief, was to assess the continued application of NPPG8 as a basis for retail planning. The study team was not required to redesign NPPG8, nor make exacting recommendations in terms of specific changes to the existing text. The client group preferred to be informed on general issues and areas for future improvement, if NPPG8 is updated at a later date.

- However, during the course of the study there were inevitable references to specific points in relation to NPPG8. Whilst there were some calls for immediate overhaul, the majority of respondents felt that, whilst there could be immediate fine tuning, an overhaul might be a medium term solution.

Strategic Recommendation 6:

As Section 9 noted, the short term and medium term changes suggested are:

- Short term (next 12 months); actions to clarify the sequential approach, promotion of town centre strategies, focus the appropriate context for retail assessment methodology and improved vitality and viability monitoring

- Medium term (12 to 36 months); actions to introduce a shorter format SPP with a different approach to "urban centres", incentives to improve and promote town centres, a fresh approach to transport accessibility including private car use, a less stringent "criteria checklist" approach and deletion of the specific forms of development typology.

OVERALL CONCLUSION

10.26 The study team has appraised all the aspects of the brief and has defined six key issues for investigation. The detailed report on these issues is presented in Sections 2 to 7 of this report. Each section concludes with various key implications for policy and more than 40 implications are summarised in Section 8. Section 9 groups different implications to provide for detailed conclusions and recommendations for the Scottish Executive Development Department to investigate further areas of detailed planning, development and property practice. Finally, Section 10 provides details of the study team's 6 strategic recommendations to the Scottish Executive in terms of the future of retail based land use policy.

10.27 The study team is most grateful for the extensive participation, commentary, detail and input to the questionnaire returns, discussion groups, interviews and other exercises involved in this study, and for the strategic guidance from the Client Advisory Group.

Appendix 1

Initial Proposed Methodology

APPENDIX 1.1
SCOTTISH EXECUTIVE – EVALUATION OF THE EFFECTIVENESS OF NPPG8 – TOWN CENTRE*S AND RETAILING

	KEY TASKS/EXERCISES	1 GENERAL RETAIL TRENDS AND CHANGES	2 DEFINING TOWN CENTRES AND USE/MIX THE ROLE OF LARGER NEW CENTRES	3 SEQUENTIAL APPROACH – FLEXIBILITY AND REALISM	4 DEFINING EDGE OF CENTRE	5 SUPPORT FOR NEW DEVELOPMENT	6 RETAIL DEPRIVATION?		7 RETAIL IMPACT METHODOLOGY	8 DATA SOURCES	INPUTS FROM
							RURAL	URBAN			
1	**REVIEW OF RESEARCH, BIBLIOGRAPHY AND SUMMARY REPORTS ON RETAIL CHANGE** • IRS Review of retail business change and recent research/bibliography • CBHP review of retail planning and development trends • CBHP inputs from the two ODPM studies • CBP transport trend review										IRS to lead this work, with CBHP contributing to floorspace data and CBP on summary of transport-related material
2	**SURVEY OF OPERATORS MAILSHOT SURVEY OF:** • Retailers • Other operators: leisure, banks etc, food/drink, major office tenants, developers/investors And follow-up interviews with selected individuals. CBHP – Property contacts. IRS retail strategy contacts.										Lead work by CBHP, with some IRS interview of non-property contacts in retail companies (strategic view).
3	**SURVEY OF PRACTITIONERS MAILSHOT SURVEY AND FOCUS GROUP/INTERVIEWS WITH:** • LPA Policy Principals • Inquiry Reporters • Consultants (Planning, Legal, Transport, other) • Interest Groups (Scottish Retail Consortium, Chambers of Commerce etc).										Mostly from CBHP through interviews, survey and focus groups – possible IRS/CBP attendance at focus groups.
4	**TOWN CENTRE MANAGERS** A specialist side-study by IRS of the TCM's responses to issues.										IRS Researcher to specifically address TCM's.
5	**SHOPPING PUBLIC** A direct survey would be outwith scope of this study; reference to CBHP National Retail Survey (biennial), and draw on recent shopper surveys undertaken for client projects (Glasgow, Edinburgh, Perth). CBHP has survey material on shopping habits from recent cases in Inverness, Dundee, Perth, Glasgow, Edinburgh. A brief review of these is possible, subject to client approvals.										CBHP to review existing survey data from National Survey
6	**REVIEW OF PLANNING DECISIONS AND POLICY** • All post 1998 retail appeals/inquiries. Scotland and some major planning authority decisions. • Selected recent Structure/Local Plans • Limited review of some selected recent England/Wales cases										CBHP to analyse with potential CBP input.
7	**SITE DEVELOPMENT ISSUES** A specialist side study of land assembly, development viability, transport infrastructure, CPO etc issues.										CBHP to review the London CPO and Scotland CPO research, review case studies and appraise land/implementation issues.
8	**GENERAL ASSESSMENT AND DRAFTING TIME**										
9	**MEETINGS/SEMINARS**										
10	**REPORT COMPILATION**										

NOTES:
Blue flash notates the depth of relevance of each task to the research issues identified (longer blue line = more relevance of task to issue).

APPENDIX 2

FINAL COMPLETED METHODOLOGY

APPENDIX 2
SCOTTISH EXECUTIVE – EVALUATION OF THE EFFECTIVENESS OF NPPG8 – TOWN CENTRES AND RETAILING
AMENDED ISSUES/TASKING SCHEDULE, SEPTEMBER 2003 – SHOWING ACTUAL STUDY ACTIVITIES

	KEY TASKS/EXERCISES	1 GENERAL RETAIL TRENDS AND CHANGES	2 DEFINING CENTRES, THEIR USE – MIX AND STATUS	3 SEQUENTIAL APPROACH – FLEXIBILITY/REALISM AND DEFINING EDGE OF CENTRE	4 SUPPORT FOR NEW DEVELOPMENT	5 RETAIL DEPRIVATION	6 RETAIL ASSESSMENT METHODOLOGY AND DATA SOURCES	INPUTS FROM/SOURCES CB Richard Ellis Institute for Retail Studies, University of Stirling Colin Buchanan & Partners
	DESK RESEARCH							
1	**REVIEW OF RESEARCH, BIBLIOGRAPHY AND PROFESSIONAL PLANNING COMMENT** • IRS Review of retail business change and recent research/bibliography • CBHP review of retail planning and development commentary							IRS-led work, from extensive bibliographical sources and additional research from CBRE into professional press etc articles, statements.
2	**RETAIL PROFILES:** • General retail change – statistics • Floorspace pipeline data							CBRE general source information from Retail Pocket Book 2003 (more available from CACI sources) and CBRE research data on retail trends.
3	**ASSESSMENT TECHNIQUES – REVIEW** • Review of other studies of retail methodology • CBRE overview of inputs and methods • Recommendations for best practice and data input improvements							CBRE review of Drivers Jonas Study 1991, draft reporting to ODPM by CBRE London 2003 and review of current retail methodology in Scotland, with data recommendations by IRS.
4	**POLICY AND DECISIONS REVIEW** • Review of sample policies; all major retail and some commercial planning application/appeal/call-in decisions 1998 to 2003							CBRE research, from library and Idox/SPADS and from cases raised in questionnaire returns and consultee interviews.
5	**TRANSPORT ISSUES REVIEW** • General accessibility changes in UK/Scotland • Policy references, including 2001 Key Sites Study • Review of interview/survey information							CBP reviews and recommendations for main study findings.

Continued...

APPENDIX 2 continued
SCOTTISH EXECUTIVE – EVALUATION OF THE EFFECTIVENESS OF NPPG8 – TOWN CENTRES AND RETAILING
AMENDED ISSUES/TASKING SCHEDULE, SEPTEMBER 2003 – SHOWING ACTUAL STUDY ACTIVITIES

	KEY TASKS/EXERCISES	1 GENERAL RETAIL TRENDS AND CHANGES	2 DEFINING CENTRES, THEIR USE – MIX AND STATUS	3 SEQUENTIAL APPROACH – FLEXIBILITY/REALISM AND DEFINING EDGE OF CENTRE	4 SUPPORT FOR NEW DEVELOPMENT	5 RETAIL DEPRIVATION	6 RETAIL ASSESSMENT METHODOLOGY AND DATA SOURCES	INPUTS FROM/SOURCES CB Richard Ellis Institute for Retail Studies, University of Stirling Colin Buchanan & Partners
	SURVEY RESEARCH							
6	**GENERAL SHOPPING PUBLIC** • A sample of recent shopper surveys; selecting key trends in Scottish shoppers' habits							CBRE client surveys in Glasgow, Edinburgh, Perth & Kinross, Dunbar and West Lothian, were employed, to give an indicative level of information on retail patterns and shopper preferences in Scotland.
7	**MAIN QUESTIONNAIRES – PUBLIC AND PRIVATE SECTORS** • Detailed questionnaires focused on the performance of NPPG8 with reference to different specific topics							CBRE questionnaire, piloted and drafted with the Research Advisory Group. Sent to all Local Planning Authorities with almost 100% response and to a selection of private retail/developer/consultant interests. Quantified empirical data outputs.
8	**TOWN CENTRE MANAGERS' DISCUSSION GROUP** • IRS took a neutral role in gathering responses from a grouping of Scottish Town Centre Managers							IRS-led exercise, with full transcript of discussion group comments.
9	**GENERAL DISCUSSION FORUMS, JUNE 2003:** • The Stirling Seminar – with consultants, planning officers, developers, retailers and others • The Perth Seminar, with planning officers, independent retailers, trade organisations and others • Additional focus groups, including Planning Advocates and Solicitors							Participation by IRS at Stirling and CBRE at all seminars, short presentations and full recorded discussions and transcripts. Records of discussions employed by CBRE, IRS and CBP in final reporting.
10	**INTERVIEWS** • Face to face and some telephone interviews conducted in June/July 2003 with retailers, consultants, planning officials and others							Full records of interviews, used by study team in final reporting.
11	**SITE DEVELOPMENT ISSUES** • CBRE specific piece of exploratory research into other research on site development, CPO and case issues							CBRE research taken from CPO sources, discussions with Scottish Executive Property Specialist and direct enquiries/case studies from local authority and other contacts.

APPENDIX 3

ACKNOWLEDGEMENTS TO ALL PARTICIPANTS IN THE STUDY

APPENDIX 3

ACKNOWLEDGEMENTS TO ALL PARTICIPANTS IN THE STUDY

STUDY RESEARCH TEAM

CB RICHARD ELLIS

- Richard Slipper, Colin Graham, Andrew McCafferty, Paul Scott, Kristian Smith, Paul Rounce, Leona Mellis, Gavin Barr

UNIVERSITY OF STIRLING – INSTITUTE FOR RETAIL STUDIES

- Professor Leigh Sparks, Andrew Paddison

COLIN BUCHANAN AND PARTNERS

- Claire Carr

CLIENT / ADVISORY GROUP

CLIENT GROUP

Scottish Executive Development Department

- Alan Denham, Ken Jobling, Carrie Smith, David Ferguson

STUDY ADVISORY GROUP

- George Sneddon, Sybil Johnson, Graham Esson, Anthony Andrew, Paul Tyrer, Fiona Moriarty, Dr Susan Lilley

GENERAL SHOPPING PUBLIC

- In relation to the use of general trends from the household/shopping public surveys in Glasgow, Edinburgh, East/West Lothian and Perth and Kinross, we would like to acknowledge the kind support of various clients to the study team including:
- Retail Property Holdings; Perth and Kinross Council; Mowlem plc; ASDA Stores Ltd; SecondSite Property.

PARTICIPANTS IN THE PUBLIC SECTOR QUESTIONNAIRE

- Frazer Clyne, Piers Baxter, Alexander Anderson, Mark Lodge, John Esslemont, Graeme Gainey, Niall Urquhart, Euan Hutchison, Gordon Reid, Mark Greaves, Alan Aitken, Robin Matthew, Brian McCauley, Dan Jackman, Bill Lindsay, Jim Henry, Alan Henderson, Douglas Cooper, Sybil Johnson, Dave McGregor, Dave Dunn, Alan Williamson, Stephen Benge, Jennifer Niven, David Jones, Karen Major, Graham Esson, Marja Blackstock, Brian Fraterr, Christina Cox, Cathy Bradley, Claire Watts, Steve Marshall, Malcolm Inkster.

PARTICIPANTS IN THE PRIVATE SECTOR QUESTIONNAIRE

- David Flatman, Iain Gotts, Ann Foulds, Keith Hargest, Liz Rowand Beard, Bryan Sherriff, Derek Scott, Stuart Buchanan, Susan Arbuckle, John Boler, Graham Sharp,

David Smith, Gordon Rafferty, John Watson, Kevin Robertson, Gary Mappin, Jonathan Wallace, Eddie Thompson, Rachel Gee, Nicholas Reay, Malcolm Thomson, Robert Drysdale, Shona Harper, Bob Salter, David Tough, Justin Funnell, Douglas Scott, Scott Landsburgh, Robert Evans, Adrian Swain

TOWN CENTRE MANAGEMENT SCHEMES

- Aberdeen City Centre Partnership, Ayr Town Initiative, Dalkieth Business Renewal, Dundee City Council, Dunfermline Town Centre Management, Edinburgh City Centre Management, Glasgow City Centre Partnership, Kilmarnock Town Centre Management, Kirkcaldy Renaissance, Paisley, Perth City Centre Management, South Lanarkshire, Stirling Ventures.

GENERAL DISCUSSION FORUMS

STIRLING SEMINAR

- George Sneddon, Fraser Clyne, Dan McDonald, Douglas Smith, Maria Francke, Andrew Lowe, Andrew Paddison, Leigh Sparks.

PERTH SEMINAR

- Graham Esson, Murray Duncan, Colin Grassick, Siobhan McConnel, John Bullough, Debbie Gibson, Ian Hay, Douglas Scott, Calum Innes.

OTHER SEMINARS – ADVOCATES/SOLICITORS

- Maurice O'Carroll, Roy Martin QC, Ralph Smith QC, David Burns QC, Craig Connell, Colin Innes, Kenneth Curruthers, Alistair McKie, Neil Collar

INTERVIEWS:

- Fraser Clyne, Graeme Gainey, Gordon Reid, Sybil Johnston, Claire Watts, Christina Cox, Dave McGregor, Bryan McCauley, Euan Hutchison, John Esslemont, Robert Drysdale, Brian Muir, Richard Low, Mike Evans,

SITE DEVELOPMENT ISSUES

Anthony Andrew, Richard Low, Andrew Ferguson, Mike Greaves, Jim Harbison, Gordon Reid, Robin Matthew, Karl Deroszenko, Kristen Anderson, Brian Frater.

OTHER CONSULTEES GIVING SPECIFIC RESPONSES IN WRITTEN COMMUNICATIONS AND OTHER INFORMAL FEEDBACK COMMENTS:

- Scottish Retail Consortium
- Scottish Enterprise - National
- B&Q plc
- Dobbies Garden Centres
- Secondsite Property
- Noble Organisation
- Haslemere

- Waterfront Edinburgh Ltd
- Miller Group
- Mowlem plc
- Marks and Spencer plc

The Study Team is also grateful for some points of feedback offered by the Scottish Executive Inquiry Reporters' Unit.

APPENDIX 4

RETAIL ASSESSMENTS: INPUTS AND METHODOLOGY

APPENDIX 4

RETAIL ASSESSMENTS: INPUTS AND METHODOLOGIES

SCHEDULES

Appendix 4: Table 1 Schedule of Key Inputs

ITEM	SOURCES	COMMENT
Spatial study area/ catchment area	Can be defined by postcode, isochrones or other relevant boundary (possibly the local planning authority area or local plan area if appropriate isochrones can be manually calculated) but more often they are computer generated from data agencies*.	Catchment areas should really be an output of a retail study, not a starting input. If retail studies commence with a catchment area, it tends to pre-judge the inputs and calibrations in the study. It is preferable for the starting point to be a general study area, from which the details of catchment can be appraised.
Population	Data agencies can digitally map the study area by post code or sub post code and produce census population counts: they can also forecast possible future change. Local planning authorities also have this level of data, and might have a closer analysis of likely population growth, based on more detailed local housing projections. Modern population sources are also very informative on socio demographic characteristics in the area, using census information and also other added information which is compiled and inputted by the data agencies.	Data will depend upon Base / Test years (see below) and there might be potential divergence of opinion on population growth assumptions. Improvement in GIS sources could assist the geo-demographic plotting of population data.
Base / Test years	The analyst should select and agree with other parties the Base year for population levels (and also expenditure/ floorspace/ turnover – see below).	Base should be the current year or most recent year for which sound data is available. The test year should reasonably reflect timescale for planning process, construction and a period for trading patterns to settle.

ITEM	SOURCES	COMMENT
Expenditure	Data agencies can provide expenditure per head estimates for given areas (same approach as population above). Expenditure categories are an important element – normally convenience (food) and comparison (non food) goods. Deductions can be made for special forms of trading such as internet and mail order, which do not utilise retail floorspace.	Different source and projection methods from different agencies. Data Consultancy (URPI) commonly used in the past and other agencies now providing the same kind of data from similar sources. Categories frequently being split to show different spending comparison spending patterns on higher order (fashion etc) and lower order (bulky etc) goods.
Expenditure Growth	The expenditure per head average for base year needs to be projected to test year, using rates of growth (or decline) based upon national factors. Growth in comparison is higher than convenience.	This element can attract a wide range of different assumptions about annual growth rates for convenience and comparison goods expenditure.
Floorspace	Essential to have best possible data for the gross and net trading floorspace areas for the proposed retail element and the existing retail floorspace in the study area – including committed space.	Floorspace is one of the most fundamental inputs, as spatial, locational and physical implications of retailing all impinge on land use planning decisions. But there is still sparse information on existing levels of space in centres.
Turnover	Based upon estimates of expenditure flow to a store/centre, or the estimate of density of turnover per sq metre of space, the existing and proposed turnover levels are vital to the estimate of economic impacts of new retail space. Another element is whether to build in an allowance for existing retail floorspace to increase its turnover density over time. This might be seen as interfering with market forces.	Another key area for different interpretations of retail performance, depending on which technique is used for estimates. Also, turnover is an element where retail businesses are sensitive to publication of commercially confidential information. Data Agency sources on national average turnover densities are improving.

ITEM	SOURCES	COMMENT
Commitments	Noted above – the need to build in likely floorspace changes due to consents already granted.	Subject to different interpretations, as some consents are openly defined and it is unsure what retail format they will take; and some "commitments" can be long term extant consents with no tangible market interest in trading.

*Data agencies include CACI, Data Consultancy/Mapinfo (formerly URPI), Verdict, Retail Rankings.

Having summarised the main inputs to retail assessment above, we now present some selected items to demonstrate the ways in which the assessment methodology can employ the inputs. We have simplified this to the basic key steps of the approach usually taken by consultants and local planning authorities, with comments on the variations to the approach.

Appendix 4: Table 2 – Schedule of Basic Methodology

BASIC STEPS	COMMENTS
1. Study Area Details: As noted above, the overall study area will be defined by agreement between the parties. It can be based upon drive time isochrones, local planning authority areas or other geographic areas defined by postcodes. It is then important to assemble population and expenditure information according to the defined study area and to analyse the overall levels of convenience and/or comparison expenditure for the overall study area. The expenditure levels can then be expressed in the fixed pricing year (to remove the effect of inflation) and can be calculated for the base year and the test year (see comments on expenditure growth).	Starting with a general study area allows the assessment to relate to an overall sphere of retail activity. This can assist Local Authority planning areas, but the main purpose is to focus in on patterns within that study area which can start to indicate an actual catchment for different retail facilities.
2. Calibrations on the Study Area to Assess 'Catchment Areas' Not all retail assessments will undertake this step, but it is advisable to draw upon some reliable source information to assess levels of expenditure flow from different parts of the study area to	This kind of analysis has traditionally been carried out by tabulations of trade draw across the study area. More sophisticated versions of this can relate to the surveyed trading patterns

BASIC STEPS	COMMENTS
different centres/ retail destinations which effect the study area (the centres may be within or outwith the study area). This can be done by way of trade draw assessments which look at the proportions of trade to different centres from different subsections of the study area. This can also be linked to a market share analysis for any particular centre (looking at the areas where different proportions of its turnover are drawn from). There is more guidance on trade draw and market share in the 1991 Drivers Jonas report. In recent retail studies there has been an increased usage of household shopper surveys (often by telephone sample) in order to gain a clearer understanding of the dynamics of the study area and a clearer picture of the actual catchment area for different retail centres. From survey data, it is possible to approximate the level of allegiance from different pockets of the study area to different retail destinations. This can build up an estimate of overall turnover per centre; derived from expenditure resident within the study area.	and spreadsheets are commonly used to produce a form of gravity model. However, it is important in the presentation of this material (particularly in planning application/ appeal cases) to present summary data in a clear format such that the overall modelled expenditure levels are summarised in an understandable manor.
3. Model A Scenario of Expenditure/ Turnover Linked to the above steps on calibrating the study area to reflect more realistic catchment areas, the important output is a picture for the base year, in terms of the amount of resident spend in the different sub zones of the study area flowing to the different centres and therefore a picture of the overall turnover of the centres and retail destinations which relate to the study area. This may involve some further assumptions about further turnover from outwith the study area	This is an important step, which should show surplus levels of fresh expenditure flowing to each centre in the future test year. From this, one can make assumptions about what share of that turnover should be allowed to flow to existing floor space, permitted floor space and what residual amount could be serviced by new levels of retail floor space. This analysis can depend upon assumptions of turnover growth allocation to existing space, changes in special

BASIC STEPS	COMMENTS
(perhaps tourist spend as well) in order to give an overall estimate of turnover. Once the base year turnover levels are set out, the expenditure growth levels identified in Step 1 can be applied, in order to apply growth to the turnover levels in the study area and to present a reasonable estimation of the levels of expenditure and retail turnovers in the test year.	forms of trading such as catalogue and e-retail (internet) and other factors. One of the key inputs at this stage will be assumptions about turnover density per sq. m. on existing and proposed floor space. Another variation at this stage is to look at forecast changes by different categories of expenditure. For example, some assessments have split non food goods between higher order fashion expenditure and bulky goods utility expenditure. This can give a different picture for town centre retail space and space which is more appropriately located in out of centre retail warehouse formats.
4. General Capacity Assessment For local planning authorities involved in general capacity assessments and for those promoting retail studies based upon general capacity, this stage can present an overall picture of the base year and the test year and the different levels of expenditure available over the period of intervening time. The levels of growth which prevail over the period of time can either be loaded upon the existing retail outlets, or presented as a possible scenario for further retail floor space growth. In this exercise, different assumptions can be employed about different centres which have relative importance in the planning hierarchy. Some capacity assessments find that falling population and relatively static expenditure growth (particularly in convenience goods) suggest there is little scope for further floor space on the basis of expenditure growth alone. However, other qualitative factors may be brought into the analysis	See notes above, related to the modelled scenario of expenditure/ turnover. From other points of feedback in this study, it appears that this stage of any capacity assessment requires a careful look at the hierarchy and status of different 'centres' within the study/ catchment area. This would depend upon policy judgements and qualitative aspects relating to existing established city/ town centres and emerging new centres which are well located in terms of accessibility, infrastructure and mixed services.

BASIC STEPS	COMMENTS
at this stage.	
5. Remodel Test Year to Show the Effects of Proposed New Retail Whether this step involves a LPA modelling different scenarios for growth in floor space/ turnover in different centres, or a consultant promoting a proposed retail scheme, the modelled expenditure, floors pace and turnover levels can be reassessed, using the base line data from the survey modelled catchment areas and also employing the judgement of the analyst, to build in new levels of floor space in different locations, with estimates of the ways in which this new floor space will gather its turnover from different sources: • By absorbing the levels of expenditure growth observed within the catchment area • By diverting expenditure from existing retail outlets from within the catchment area • Possibly by changing the dynamics of the catchment area to such an extent, that the new retail attraction will increase the sphere of influence and extend the study area to bring in more expenditure from further afield. The result of this modelled future scenario will be an estimate of the proposed turnover of the new shopping facility, set against the existing turnover levels of existing facilities. In the retail assessment presentation, this is often detailed as a table of retail impact levels on existing facilities.	At this stage, it is important to demonstrate which categories of goods and expenditure the impacts apply to. For example, a new superstore based mainly on convenience goods trading will only have an impact on convenience goods trading in the town centre. Often, this may be a numeric expression of impact on the town centre turnover. However, it is actually an impact level on the convenience goods element of the town centre turnover which may be a small fraction of the overall centre turnover, because of the predominance of comparison goods. In other cases, it might be apparent that the new out-of-centre floor space is primarily fashion comparison goods and this might be targeted at the main stay of the town centres retail trading, if it is established as a higher order fashion retailing centre. Complications can arise where the new floor space is not yet closely defined in terms of convenience or types of comparison goods trading. In cases where out of centre retail warehouses are proposed, this often raises questions of whether the developer is prepared to take conditional restrictions on floor space, specifying bulky goods. In some cases retail warehouses have been free of such conditions and have been built with unrestricted (High Street goods) formats.
6. Interpreting the Actual Impacts of the Estimated Adjusted Turnover Levels There has been much discussion about the	As well as the points of clarity noted above under

BASIC STEPS	COMMENTS
meaning of 'impact'. In this case, the study team believes that a final scenario of adjusted turnover levels should be subject to a separate assessment of the meaning of these adjustments and whether this actually creates a tangible impact in physical or economic terms which is of importance to a land use planning decision. This will necessitate a close look at the centres which sustain an impact and whether these are important centres. It will also involve a detailed look at the vitality and viability of the relevant centres and whether they can sustain a level of impact, without upsetting retail planning interests of acknowledged importance. Also, it should look at the form of the new proposed retail element and whether this, in itself introduces retail planning advantages to the local hierarchy which have to be weighed in balance to the overall impacts elsewhere.	Stage 5, once the final impact has been clearly defined and isolated, it is important to look at the meaning, in land use and economic planning terms. This stage will depend upon the relative strength of the centre. It will also be important at this stage to be clear whether the proposed new retail is in contention with the established hierarchy of important centres which are worthy of protection under established planning policies. This is addressed elsewhere in this study. Another key point is whether the retail impact has been assessed for floor space proposed for a site which is in-centre or edge-of-centre. In these cases, it may not be necessary to take the 'impact' assessment any further, if the locational context suggests that the impact is an 'internal impact' within an established or extended centre.
7. Other Useful Gauges In parallel with all the steps above, there are other inputs to the methodology which can be useful gauges, to assess the reality of the local situation being modelled by a way of expenditure levels, surveyed shopping habits and flows of turnover to different locations. Some of these include the following: • Assumptions on turnover density per sq. m. • Assumptions on the allowance of existing floor space to gain an increase in turnover density per annum • Over/ under trading – a view from the above points, on whether existing facilities are perhaps trading above a reasonable average and can therefore sustain higher levels of impact, without detriment to the retail facility or to the shopping public.	This is the important final stage of any retail impact assessment. In particular, the final bullet point draws attention to the final vitality/ viability 'health check'. Some planning authorities have carried out these studies. However, this is often at a late stage, once a proposal is perceived to threaten a town centre. It would be more helpful to see these health checks being carried out on a regular rolling programme of updates. This could include key indicators including market activity, rental levels, yields, pedestrian flows, changes in retail faciers, and ideally some form of feedback from traders/ town centre managers reports on key performance indicators such as relative turnover levels on a time series basis (see improved inputs heading below)

BASIC STEPS	COMMENTS
• A comprehensive vitality/ viability 'health check' on the Town Centre.	

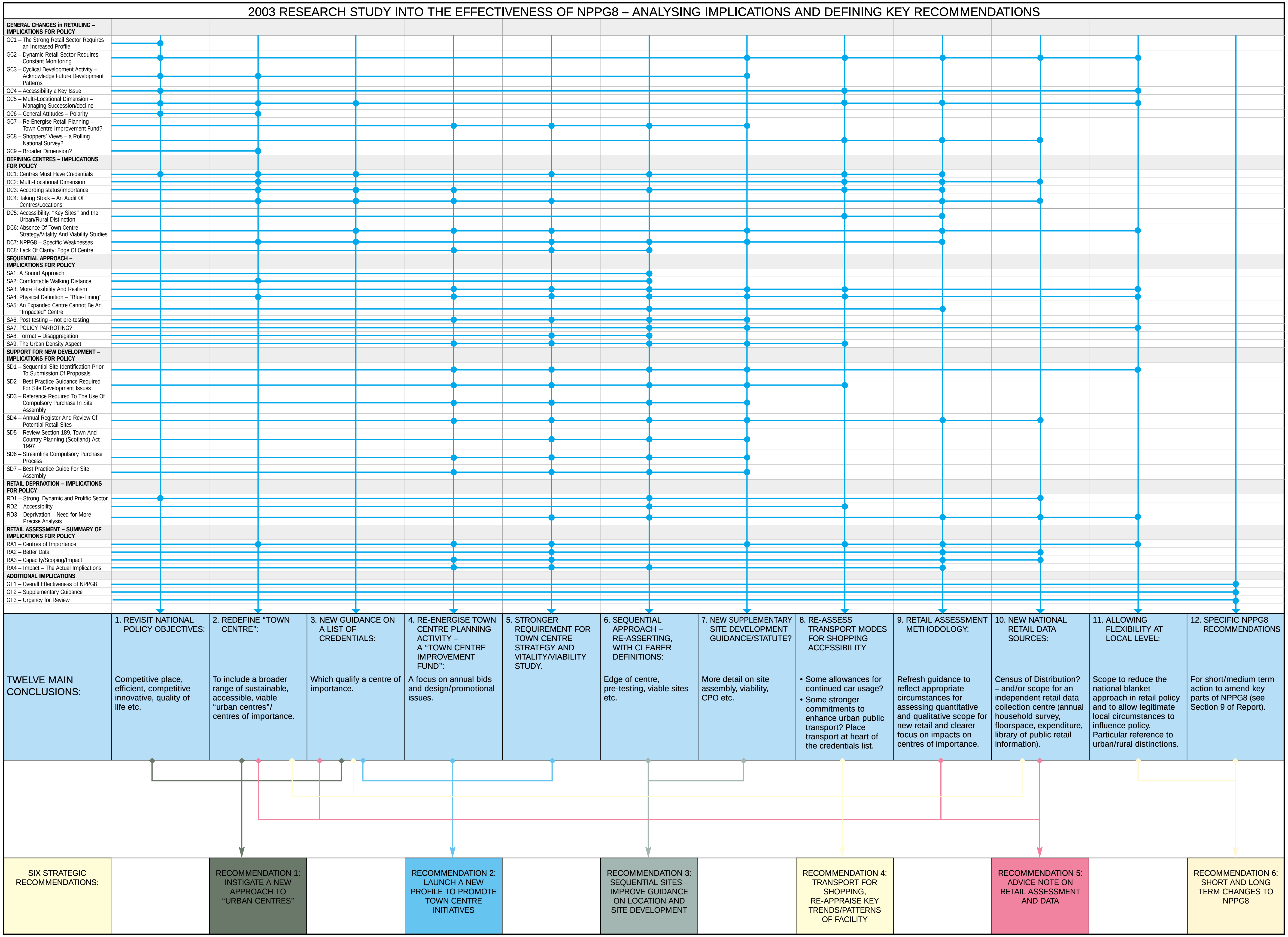
APPENDIX 5

FINAL ANALYSIS OF FINDINGS/RECOMMENDATIONS

KEY

Denotes links between policy implications and conclusions/recommendations.

This chart takes the various implications for policy identifed in sections 2 to 7 and summarised in section 8 of the research reports and relates them to the recommendations in sections 9 and 10. The recommendations are highlighted overleaf.



2003 RESEARCH STUDY INTO THE EFFECTIVENESS OF NPPG8 – DEFINING KEY RECOMMENDATIONS

MAIN CONCLUSIONS	1. REVISIT NATIONAL POLICY OBJECTIVES:	2. REDEFINE "TOWN CENTRE":	3. NEW GUIDANCE ON A LIST OF CREDENTIALS:	4. RE-ENERGISE TOWN CENTRE PLANNING ACTIVITY – A "TOWN CENTRE IMPROVEMENT FUND":	5. STRONGER REQUIREMENT FOR TOWN CENTRE STRATEGY AND VITALITY/VIABILITY STUDY.	6. SEQUENTIAL APPROACH – RE-ASSERTING, WITH CLEARER DEFINITIONS:	7. NEW SUPPLEMENTARY SITE DEVELOPMENT GUIDANCE/STATUTE?	8. RE-ASSESS TRANSPORT MODES FOR SHOPPING ACCESSIBILITY	9. RETAIL ASSESSMENT METHODOLOGY:	10. NEW NATIONAL RETAIL DATA SOURCES:	11. ALLOWING FLEXIBILITY AT LOCAL LEVEL:	12. SPECIFIC NPPG8 RECOMMENDATIONS
	Competitive place, efficient, competitive innovative, quality of life etc.	To include a broader range of sustainable, accessible, viable "urban centres"/ centres of importance.	Which qualify a centre of importance.	A focus on annual bids and design/promotional issues.		Edge of centre, pre-testing, viable sites etc.	More detail on site assembly, viability, CPO etc.	• Some allowances for continued car usage? • Some stronger commitments to enhance urban public transport? Place transport at heart of the credentials list.	Refresh guidance to reflect appropriate circumstances for assessing quantitative and qualitative scope for new retail and clearer focus on impacts on centres of importance.	Census of Distribution? – and/or scope for an independent retail data collection centre (annual household survey, floorspace, expenditure, library of public retail information).	Scope to reduce the national blanket approach in retail policy and to allow legitimate local circumstances to influence policy. Particular reference to urban/rural distinctions.	For short/medium term action to amend key parts of NPPG8 (see Section 9 of Report).
STRATEGIC RECOMMENDATIONS:		RECOMMENDATION 1: INSTIGATE A NEW APPROACH TO "URBAN CENTRES"		RECOMMENDATION 2: LAUNCH A NEW PROFILE TO PROMOTE TOWN CENTRE INITIATIVES		RECOMMENDATION 3: SEQUENTIAL SITES – IMPROVE GUIDANCE ON LOCATION AND SITE DEVELOPMENT		RECOMMENDATION 4: TRANSPORT FOR SHOPPING, RE-APPRAISE KEY TRENDS/PATTERNS OF FACILITY		RECOMMENDATION 5: ADVICE NOTE ON RETAIL ASSESSMENT AND DATA		RECOMMENDATION 6: SHORT AND LONG TERM CHANGES TO NPPG8

January 2004

Astron B34052 1/04

ISBN 0-7559-4112-8